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REPORT

by the Committee on Development and Cooperation
on the conservation of tropical forests

(COM(89) 410 final)

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A Series Reports - B Series Motions for Resolutions, Oral Questions - C Series Documents received from other Institutions (e.g. Consultations)

* = Consultation procedure requiring a single reading

**II = Cooperation procedure (second reading) which requires the votes of a majority of the current Members of Parliament for rejection or amendment

**I = Cooperation procedure (first reading)

*** = Parliamentary assent which requires the votes of a majority of the current Members of Parliament

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By letter of 24 October 1989 the Committee on Development and Cooperation requested authorization to draw up a report on the conservation of tropical forests (COM(89) 410 final).

At the sitting of 12 February 1990 the President of the European Parliament announced that the committee had been authorized to draw up a report on this subject and the Committee on the Environment, Public Health and Consumer Protection had been requested to deliver an opinion.

At its meeting of 23 January 1990 the Committee on Development and Cooperation appointed Mrs Santos rapporteur.

At its meeting of 19 September 1990 the committee considered the draft report and adopted the motion for a resolution as a whole unanimously.

The following took part in the vote: Belo, vice-chairman, acting chairman; Santos, rapporteur; Arbeloa Muru (for van Putten), Magnani Noya (for McGowan), Napoletano, Perschau, Pery, Rossetti, Ruiz Gimenez Aguilar, Sandbaek (for Ewing), Schmidbauer, Telkämper and Tindemans.

The opinion of the Committee on the Environment, Public Health and Consumer Protection is attached to this report.

The report was tabled on 26 September 1990.

The deadline for tabling amendments will appear on the draft agenda for the part-session at which the report is to be considered.

A

MOTION FOR A RESOLUTION

on the conservation of tropical forests

The European Parliament,

- having regard to the Fourth Community Environmental Action Programme adopted by the Council on 19 October 1987,
 - having regard to the Commission communication entitled 'The conservation of tropical forests: the role of the Community' (COM(89) 410 final),
 - having regard to the European Parliament resolutions on:
 - the catastrophic environmental impact of large-scale deforestation in Sarawak (East Malaysia) (Doc. A2-92/88);¹
 - regulating the trade in tropical woods and tropical wood products as a means of tropical forest management and conservation (Doc. A2-394/88)²;
 - the negative effects of financing from the European Community and various international organizations on the environment of the Amazon region (Doc. A2-124/89)³,
 - having regard to the ACP-EEC Joint Assembly resolution on the environment, adopted in March 1990 in Papua New Guinea, which urges *inter alia* that an environment directorate be established within DG VIII (Doc. ACP-EEC 113/90/fin.) and the resolution on protection of the tropical forests (ACP-EEC 107/90/fin.),
 - having regard to the resolutions on the environment and development and on the development aspects of tropical forests adopted by the Community's ministers for development cooperation on 29 May 1990,
 - having regard to Rule 121 of its Rules of Procedure,
 - having regard to the report of the Committee on Development and Cooperation and the opinion of the Committee on the Environment, Public Health and Consumer Protection (Doc. A3-231/90),
- A. whereas the extremely grave crisis of the ecosystem affecting regions of tropical forests constitutes a real threat to the survival and cultural identity of indigenous peoples,
- B. whereas the various ethnic groups who constitute the traditional human population of tropical regions have always appreciated the value of natural resources and maintained the delicate balance between man and nature by drawing on the wisdom and cultural legacy of their ancestors,

¹ OJ No. C 235, 12.9.1988, p. 196

² OJ No. C 158, 26.6.1989, p. 306

³ OJ No. C 158, 26.6.1989, p. 323

- C. whereas the indigenous peoples living in tropical forests have assumed the mantle of genuine 'guardians of the earth' in that they safeguard and appreciate the value of its produce,
- D. whereas if these 'guardians of the earth' and the forests themselves are to survive, the right of these ethnic groups to their territory, that is, their land rights, must be recognized,
- E. whereas organizations representing and coordinating the indigenous peoples, including the Coordinating Committee of Indigenous Organizations of the Amazon Basin (COICA, which represents over 1 200 000 people from five countries - Brazil, Peru, Bolivia, Ecuador and Colombia) the National Council of the Brazilian Seringueiros, the Alliance of the Peoples of the Amazonian rainforest, etc., are absolutely irreplaceable,
- F. having regard to the sovereign rights of all countries to manage their natural resources freely,
- G. having regard to deforestation, the causes and the consequences thereof, the possible solutions and past and present efforts to respond to the problem, as set out in Commission Communication COM(89) 410 final,
- H. whereas the rate of tropical deforestation continued to rise in the eighties, putting at risk the continued existence of an increasing number of forest dwellers, and the local, regional and worldwide environmental impact of deforestation is being concealed,
- I. whereas the European Community is directly and indirectly involved in deforestation, *inter alia* as a result of its trade links and its role as a development aid donor, but is in a position to exert its influence to promote the sustained management and protection of tropical forests, one approach being to refashion its trade and development links,
- J. whereas rural development frequently goes hand in hand with the clearing of wooded areas for agriculture and the cutting of wood as a source of energy,
- K. disappointed, then, with the wait-and-see attitude of the Commission, despite the intrinsic interest of its communication on the conservation of tropical forests (COM(89) 410 final) and the fact that the Development Council broadly endorsed it,
- L. having regard to the gravity of the deforestation issue and with the urgency with which action should be taken to resolve the problem,
- M. noting the shortcomings of the contribution made by the TFAP and ITTO toward resolving the tropical forest crisis; whereas there is a need for mandatory Community measures to make international policy more effective,
- N. noting the severe criticism by independent experts who have assessed the TFAP, as well as the criticism by NGOs which have called on donors to suspend TFAP funding until sweeping changes have been made,
- O. whereas the Commission fails to draw the appropriate conclusions from the ITTO study which has established that only 0.2% of commercial tropical

logging is conducted on a sustainable basis and furthermore ignores the fact that this is at least partly the result of the high level of demand for tropical timber in Europe, Japan and North America,

- P. whereas the eighth session of the ITTO Council resolved that, from 2000 onwards, only tropical timber produced on a sustainable basis would be traded; whereas, however, this target date is too remote, since, at the current rate of deforestation, tropical forests in many countries will have been lost before 2000,
- Q. whereas the Commission and the Council have ignored the European Parliament resolutions on suspending imports of tropical timber from Sarawak and on a regulation governing Community imports of tropical timber products,
- R. pleased to note:
- the Dutch Government's interim policy statement on tropical rainforests, according to which, from 1995 onwards, only tropical timber from countries/areas where sustained forest management is practised will be imported,
 - the report of the UK House of Lords on European Community policy on tropical forests, which concludes that 'a more discriminating approach (to tropical hardwood imports) could encourage trade in high-value products from sustainable sources and discourage other imports' and which calls on the Commission and the Member States not to confine themselves to measures 'which can be pursued through the forum of ITTO',
 - the campaigns by NGOs to drive down tropical timber consumption and the positive response thereto by hundreds of local authorities in the Netherlands, the Federal Republic of Germany, the United Kingdom and Belgium, by the Dutch and German Federal government buildings agencies and by the European Community public, with a unanimous call for the selective use of tropical timber and, where necessary, a Community policy of importing only tropical timber produced on a sustainable basis,
- S. whereas this demonstrates that there is a broad base of Community support for the control of Community imports of tropical hardwoods advocated by Parliament, and whereas this is being ignored by the Council,
- T. whereas the conservation and sustained management of tropical forests is essential for the livelihood and survival of indigenous peoples and other local communities in particular and the problem of poverty is exacerbated by forest destruction,
- U. whereas the Commission recognizes that more funding ought to be made available for tropical forest purposes, provided that spending is concentrated on eliminating the structural causes of deforestation, and whereas not only funding but also political will, both in the tropical countries and among Northern Hemisphere donors, is essential to achieve this,

- V. whereas available funds should be used amongst others to enable the relevant authorities to implement conservation programmes in practice,
- W. whereas more money now flows out of tropical countries, principally through debt servicing, than enters by way of official development aid and loans from private banks; whereas the pressure of debt repayment and the structural adjustment programmes dictated by the IMF and the World Bank are accelerating the pace of forest destruction and exacerbating the situation of the poorest sections of the population, thus underlining the need to find a solution to the debt problem,
- X. whereas, in its tropical-forest policy, the Commission has largely disregarded Community commercial policy, trading relations with tropical countries and Community-based firms' activities in tropical-forest areas, in spite of the fact that these are factors directly and indirectly responsible for deforestation,
- Y. whereas DG VIII is currently not in a position to subject Community projects and programmes in tropical countries to ecological and anthropological screening or to conduct systematic environmental impact assessments,
- Z. whereas although the solutions put forward by the Commission in its communication are constructive and reflect a positive policy attitude in this area, the financing of the policy is unrealistic if the solutions are to be viable,
1. Recalls that with regard to the management of tropical forest resources, the sovereign rights of all countries must be respected, and solutions arrived at by means of a dialogue between the producer nations, the importer countries, and the international organizations concerned;
 2. Urges the Commission, the Council and the Member States to view the conservation and sustained management of the tropical forests, respect for the indigenous peoples, forest dwellers and rural populations as a paramount consideration in the Community's cooperation and environmental policy;
 3. Urges the Commission, as part of its development cooperation policy to pay specific attention to projects described to benefit indigenous peoples and other forest dwellers as protectors of their natural habitat;
 4. Intends to ensure that the Commission, in drawing up the new regulation on cooperation with Asia and Latin America, includes cooperation mechanisms (both technical and financial) for the development of tropical forests;
 5. Urges the Commission, the Council and the Member States to use every means at their disposal to promote a genuine Community policy to combat the breaking up of indigenous communities, genocide and the destruction of the cultural values of the peoples of the forests,
 6. Points out to the Member States and the Commission the fact that the sheer importance of conserving tropical forests, both for the future development of the producer countries and the importing states, and, above all, for the continuing stability of the world's climate, means

that new resources must be mobilized both at EEC level and at the wider international level; Parliament therefore proposes:

- that budget article 946 (ecology in the developing countries) be further endowed by a significant amount earmarked for tropical forests and closely linked with a specific development policy;
 - that the 1991 Budget include the proposal on tropical forests adopted in March 1989 by the Joint Assembly;
 - that budgetary item 7394 (international cooperation and COST) be increased, as a contribution to national and international efforts in this field;
 - that new sources of finance in this field be sought out with the Community budget, particularly by the proper implementation of the principle of 'polluter country';
 - that the creditor Member States should reduce the burden of the debt so as to relieve the economic pressure which is causing the deforestation and release funds for 'nature swaps' purposes;
7. Urges the Commission to set up a unit within Commission Directorate-General VIII for the sole purpose of dealing with this question, staffed by specialists in ecology and anthropology;
 8. Urges the Commission to mandate this unit to carry out systematic assessment and a posteriori monitoring of the impact on the environment and the indigenous population of all projects receiving Commission support in the regions concerned, and to cooperate systematically to this end with organizations representing the forest peoples and local and European Community NGOs;
 9. Urges the Commission to refuse, therefore, all financial or technical assistance to any project which endangers the environment or the indigenous population or adversely affects the cultural freedom of the forest peoples;
 10. Urges the Commission to mandate the unit to implement an assessment and action programme to research possible ways of diversifying the use and marketing of tropical forest products by the forest peoples themselves as a means of supporting them within an overall framework for the sustained management of these products that does not jeopardize their traditional uses;
 11. Urges the Commission, the Council and the Member States to establish a diplomatic mission of the indigenous peoples to the Community, with a view to systematic consultation of the indigenous peoples concerning each and every Community action involving tropical forests;
 12. Undertakes to stress the urgency of making the environment and the conservation of tropical forests a priority element in cooperation with Brazil, taking full account of all the associated problems,
 13. Urges the Commission, the Council and the Member States to adopt a binding regulation governing trade in tropical hardwood and tropical hardwood products, with a view to adjusting this trade to the requirements of conservation and sustained management of tropical forests, to ensure that this regulation comes into force by 1992 at the

latest, and to take firm action within the ITTO with a view to the adoption of a similar regulation at world level;

14. Urges the Commission to report to Parliament on the merits of a system of import levies or, alternatively of import quotas in the context of the regulation mentioned above;
15. Urges the Commission, the Council and the Member States to place an immediate ban on imports of tropical timber from Sarawak (East Malaysia) and, at the next meeting of the ITTO Council in Yokohama, to urge other tropical timber importing countries to do the same;
16. Urges the Commission, the Council and the Member States to make efforts to alter how the TFAP operates in practice, so that it focuses on protecting and managing tropical forests and on the rights of indigenous peoples, forest dwellers and rural populations, and to make assistance for the TFAP conditional thereon;
17. Urges the Commission, the Council and the Member States to make efforts to reshape the ITTO into an organization that makes tropical forest protection and sustained management the paramount principle underlying tropical hardwood extraction, trade and consumption;
18. Urges the Commission, the Council and the Member States to make efforts to ensure that the GATT negotiations lead to a liberalization of international trade which incorporates export controls on increasingly rare natural resources, particularly those of tropical forests.
19. Urges the Commission, the Council and the Member States to make efforts to induce the World Bank and the International Monetary Fund to take such account of the burning need for tropical forest protection and sustained management and respect for indigenous peoples, forest dwellers and rural populations that they carry out a thorough review of the structural adjustment programmes which place these priority considerations under such threat;
20. Urges the Commission, the Council and the Member States to make efforts to secure a worldwide convention on the protection of tropical forests;
21. Urges the Commission, the Council and the Member States to increase budgetary allocations for tropical forest protection purposes within the framework of cooperation programmes with ACP states and countries in Asia and Latin America, so as to encourage sustained management and the conservation of these forests, giving priority to:
 - (a) agrarian reforms which will reduce pressure on the forests through equitable distribution of land fit for cultivation;
 - (b) tropical forest sustained management programmes limiting commercial activity and destructive levels of exports;
 - (c) noting, along with the ACP states and the Joint Assembly, that Lomé IV provides the possibility of helping the ACP states to conserve their respective tropical forests and to develop appropriate techniques, legislation, institutions and management systems for taking full advantage of the whole range of forest products and services on a rational, controlled basis;

22. Calls on the Commission to promote further intensive research into tropical silviculture, within the framework of the CTD Programme and other international programmes;
23. Urges the Commission, the Council and the Member States to make the activities of Community-based firms, particularly large multinationals, in any tropical forest areas subject to a binding code of conduct which ensures sustained forest management and conservation and respects the culture and way of life of local communities;
24. Instructs its President to forward this resolution and the attached report to the Council and Commission, the states concerned, the ACP Committee of Ambassadors, the National Council and the Alliance of the Peoples as Parliament's opinion.

B
EXPLANATORY STATEMENT

1. Introduction

The tropical-forest crisis is attracting considerable attention. Nevertheless, 142 000 km² of tropical forest was destroyed in 1989, while the condition of an even larger area of forest seriously deteriorated. Between 1979 and 1989, there was a 90% increase in deforestation⁴.

Deforestation adversely affects the environment at local, regional and world level in many ways; some effects are irreversible and unpredictable; various phenomena occur, such as erosion, drought and flooding, extinction of plant and animal species, and climatic changes.

In addition, deforestation is closely bound up with violations of human rights. More and more tropical forests are becoming sites for ecological warfare. There is a spiral of violence. Indigenous peoples and other forest dwellers generally suffer and become outcasts from the land which they have managed and maintained for centuries; their traditional land rights are not recognized. Deforestation destroys the basis of their livelihood.

At the current rate of deforestation, most tropical forests will have been lost by the end of this century. We are in a race against time. Worldwide efforts are called for in order to turn back the clock; international authorities will have to take the lead in this process; effective measures are urgently required. For the time being, there is no such scenario: the high rate of deforestation is inversely proportional to the rate at which policy making is being conducted to conserve and manage tropical forests. For these reasons, international authorities are now part of the problem rather than part of the solution, and this applies to the European Community too.

Theoretically, the European Community is in a position to play an influential role in combating deforestation, since it maintains intensive trading relations with the tropical-forest countries and is a major development-aid donor. Given this, the Community can influence the state of tropical forests through bilateral contacts and within international bodies.

The European Community must base its actions on minimizing its role in deforestation, maximizing its efforts in connection with sustained forest management and conservation and, following on from this, respecting the rights of indigenous peoples and other forest dwellers and rural inhabitants. This must be done speedily, otherwise it will be too late. There is no such commitment behind Community, policy however.

This impression was heightened by the communication on tropical forests (COM(89) 410 final) which the Commission published in August 1989. In it, the Commission opts for a wait-and-see, passive approach in that it has *inter alia* made its actions dependent on those by international bodies. Policy intentions are imprecise and amorphous. It is not clear whether and, if so, how and when they will be acted on. Furthermore, many aspects of the Community's involvement in deforestation continue to be disregarded. In this

⁴ Norman Myers: Deforestation Rates in Tropical Forests and their Climatic Implications, Friends of the Earth, 1990

way, the Community is maintaining the gulf between rapid deforestation and slow decision-taking, which is disastrous as far as tropical forests and their inhabitants are concerned.

2. International organizations and the European Community

The Fourth Environmental Action Programme was adopted in 1987. In it the Commission acknowledges its own responsibility by advocating:

'A re-examination of the trade and aid policies of both the Community and Member States from the standpoint of their impact on tropical forest conservation and the promotion of a voluntary code of conduct among timber companies based in the Community to ensure that imports of tropical hardwood only come from concessions that include ecologically positive management policies.'

That premise held out the prospect of a specific Community policy, but would appear to have been abandoned in the meantime. The emphasis has been shifted from Community measures to international measures and policy. The Commission communication emphasizes that 'Community action should be placed clearly in the context of wider international action' (p. 29). This is a retrograde step: firstly, the need to conduct an active Community policy based on its own trade and development links is ignored; secondly, too much faith is placed exclusively, and erroneously, in international bodies and mechanisms such as the International Tropical Timber Organization (ITTO) and the Tropical Forestry Action Plan (TFAP), since the ITTO and TFAP exhibit serious shortcomings and weaknesses and, to encapsulate how they operate, are geared too much to forest exploitation and too little to conservation and sustained management.

According to the Commission communication, the Community Member States must make more vigorous and more intensive use of the TFAP mechanism. The TFAP is mistakenly considered to be the solution to the tropical-forest crisis. To hold such a view is to ignore rising criticism of the TFAP. The national TFAPs now being drawn up and implemented in some 70 tropical countries are beset by the following problems:

- the involvement of NGOs and local communities in the TFAP is negligible, while the rights and requirements of indigenous peoples are virtually ignored, which, however, is contrary to the TFAP guidelines;
- the TFAP is very much geared to financing forestry and timber industry projects, which involve an expansion in commercial logging operations in primary tropical forests and put more pressure on forest resources;
- the TFAP underestimates the structural causes of deforestation, some of which are not forest-related as such, and consequently is not in a position to come up with the correct solutions, with politically sensitive topics such as corruption and unfair land distribution being given a wide berth;
- the TFAP plays virtually no role in conserving tropical forests or in maintaining biological diversity, only a small proportion of the budget (less than 8%) being spent on conservation measures.

As a result of the criticism of the TFAP, an independent review has been conducted; this is reportedly critical of the TFAP. It is unclear whether this will bring about sweeping changes. NGOs have conducted their own assessment, combining it with a call for donors to suspend funding for the TFAP until it has been thoroughly overhauled⁵. In the light of this, the Commission's calls for the TFAP framework to be exploited more intensively and more vigorously is, at the very least, premature. The Community's ministers for development cooperation, too, realize this: at a forthcoming meeting, the Council will consider the results of the review and ways and means of making the TFAP more effective.

The Commission takes a much too optimistic view of the ITTO too. The principal attraction of this trading organization is supposed to be its normative approach; however, this is also a major obstacle. ITTO standards are not binding; they are liable to be standards in name only. The ITTO can be made more effective by complementing normative measures by statutory measures by individual ITTO member countries, including the Community Member States. This would also make it possible for tropical timber consuming countries to shoulder their specific obligations and responsibilities more effectively; these include limiting consumption of tropical hardwood. As far as such measures are concerned, the European Community is a more appropriate forum than the ITTO.

A study published in 1988 by the ITTO itself reveals that 'the extent of tropical moist forest which is being deliberately managed at an operational scale for the sustained production of timber is, on a world scale, negligible'⁶. Indeed, this amounted to less than 0.2% of timber felled for commercial purposes. At its recent meeting in Depasar (Indonesia) the ITTO produced a response that is both staggering and ineffectual: it resolved that, from 2000 onwards, only tropical timber produced on a sustainable basis would be traded. Figures from the World Bank bring home the fact that such a plan has come far too late in the day:

- of the 33 countries now exporting tropical timber, only 11 will still be doing so in 2000, while the commercial value will have fallen from US \$ 8 bn to 2 bn;
- commercial logging operations encroach upon 50 000 km² of tropical forest every year, which implies that 500 000 km² of forest will be lost by the year 2000.

For that matter, it remains to be seen whether the ITTO members will be prepared, over the next few years, to set an agenda and take measures to make realization of the objectives for the year 2000 a genuine possibility. To judge from the European Community's attitude, this is a moot point. Although it is true that demand for tropical timber in the Northern Hemisphere acts as

⁵ Marcus Colchester and Larry Lohmann: The Tropical Forestry Action Plan: What Progress?, 1990 (published by the Rainforest Movement, Friends of the Earth and The Ecologist)

⁶ This study has now been published as 'No Timber without Trees - Sustainability in the Tropical Forest (Duncan Poore, 1989)

a spur to what are destructive logging operations in the Southern Hemisphere, the European Community shows no sign of limiting or, where necessary, regulating imports. This is an essential prerequisite, however, for sustained forest management.

The shortcomings of the TFAP and the ITTO are plain to see. The way in which they operate can be improved, though there are limits to this too. In the medium term, it is much more likely that a worldwide convention on tropical-forest protection could make forest conservation and sustainable management a priority. The ITTO, TFAP and the European Community could be given a role to play within this framework; but their shortcomings would have to be rectified.

3. Parliament and the European Community public

Parliament has recently been a constant, and powerful, advocate of an active Community policy:

- In 1988, Parliament argued for a temporary ban on imports of tropical timber from Sarawak (Malaysia). The background to this was the very serious predicament facing Sarawak's indigenous peoples because of commercial logging, as well as the conflicts with loggers and local politicians - one and the same in many cases - which this caused. Since 1988, the situation in Sarawak has escalated further, developing into an international *cause célèbre*. A special ITTO mission has now established that Sarawak's timber resources will be exhausted in 11 years' time. Indigenous inhabitants who have mounted blockades in opposition to the destruction of their land are being arrested time and time again and put on trial. Parliament's resolution is as relevant as ever.
- In 1989 Parliament called by an overwhelming majority for a Community regulation governing the import of tropical timber products. The proposal concerned combines environmental and commercial considerations with development policy, and is based on forestry management plans, which would be formulated and implemented with financial assistance from the Community and promote sustainable forest management. One feature of this would involve laying down quotas, based on the degree of environmental acceptability, for timber imports into the Community. These arrangements would enter into force in 1995. In its communication, however, the Commission ignores the proposal in a grotesque fashion.
- Likewise in 1989, Parliament condemned Community involvement in the Grande Carajas programme in the Brazilian Amazon, stating that it had an 'immediate and extremely nature effect on nature, the environment and the Indians'.

Naturally, Parliament finds it hard to accept that the Commission, in its communication, has ignored this and other resolutions. Parliament is not alone in this. The Commission is disregarding signals from the public in the Community. Predictably, many members of the public and local and national officials and politicians in the Member States do not identify with what is an excessively feeble Community policy and will take their own measures. The resulting jumble of initiatives is beyond the Commission's control. Consequently, the Commission's credibility within the Community and international organizations is at stake too. The following instances demonstrate that this danger is by no means a figment of the imagination:

- In an interim policy statement on tropical rain forests, the Dutch Government has announced that, from 1995 onwards, only tropical timber from areas/countries practising sustainable forest management will be imported. According to the Government, research shows that unilateral measures to restrict trade in or the use of tropical timber may be justified within certain limits and are compatible with the EEC Treaty, the GATT and the ITTO Agreement. The Dutch Government also announced that it would examine the feasibility and implications of the proposal to regulate imports that is supported by the European Parliament.
- The UK House of Lords recently expressed a similar opinion: 'A more discriminating approach to tropical hardwood imports could encourage trade in high value products from sustainable sources and discourage certain other imports. The Commission and Member States should consider the options for developing such a policy and should not restrict themselves only to measures which can be pursued through the forum of ITTO.' The House of Lords also remarked that 'a review of the TFAP by the Community to establish whether such criticisms are justified would be valuable'.
- In the Federal Republic of Germany, the Netherlands, the United Kingdom and Belgium in particular, hundreds of local authorities have switched to a policy opposing the use of tropical hardwood. In the Netherlands and the Federal Republic of Germany, the national government-buildings agency has taken the same approach. In addition, an increasing number of consumers, architects, construction firms and a handful of timber traders are now opposed to the use of tropical timber that is not extracted from forests on a sustainable basis. These actions are inspired by the slogan 'Think globally, act locally' and are being taken at the request of, and in close collaboration with, NGOs in tropical forest countries.

4. Poverty and forest destruction

NGOs in the tropics are requesting timber-consuming countries to slash imports of tropical timber and other tropical products or indeed, in certain cases, to discontinue them completely. This is in no way at odds with efforts to combat poverty and to improve the lot of the very poorest sections of society. After all is said and done, intact forests generate a continuous stream of non-timber forest products: food, medicinal plants and other products that are in circulation in the local economy in particular and are a source of food and income for the local population. In countries such as Ghana and Papua New Guinea, for example, 90% of the rural population is dependent on forests as a source of food and medicinal plants.

Conversely, the destructive exploitation of forests merely provides a temporary stream of tropical timber and other products. The resulting foreign-exchange earnings principally benefit national élites or foreign businesses; alternatively, they have to be used to repay foreign debt. In this instance, the economic value is felt internationally or nationally rather than locally. Earnings are neither recycled back to the local level nor used to combat poverty. Furthermore, the economic value is wildly overestimated; one reason for this - but not the sole reason - is that environmental and social costs are not included in the calculation.

The Philippines constitute an appalling case in point. The country's government spends more on administration and infrastructure construction, in order to make logging operations possible, than it earns from this in foreign exchange and from other sources. This is reflected in extremely attractive profit margins for logging firms, frequently taking place in an atmosphere of corruption in which politicians or senior military officers and their families play a prominent part. 'There is no doubt that the timber industry, by its very nature, is conducive to acts of a criminal nature and acts contrary to law and proper government and administration.' This was the conclusion of an official commission of inquiry into the situation in Papua New Guinea on behalf of that country's government.

We are bound to conclude from this that forestry development and deforestation generally go hand in hand with the redistribution of wealth from the poorest and local communities to a national élite and foreign companies. Deforestation widens the gulf between rich and poor in tropical countries; and the gulf between the Southern and Northern Hemispheres simply puts more pressure on tropical-forest resources.

5. Debt, development aid and tropical forests

There is now a political climate in which donors are gradually exhibiting a willingness to make more money available for forestry and/or forest protection in the tropics. The Commission, too, is arguing that additional funding is needed, though this has not crystallized to any great extent.

There may be benefits as well as drawbacks in an increase in donor funding for tropical-forest purposes. The more there is an integrated policy that also addresses international trading relations and macroeconomic factors in tropical countries themselves, the more there is a point to more funding, the point being that the money should be used to eliminate structural causes of deforestation.

Merely spending money to provide 'more of the same' constitutes nothing more than an insubstantial policy that will remain a drop in the ocean. Two factors make that risk greater: firstly, tropical countries have a low absorption capacity, and this means that an increase in funding for forestry purposes may generate a glut of projects, certainly in the short term, which would be counter-productive as regards ensuring sustainable management and forest conservation; secondly, many of the causes of deforestation are to be found outside forests, rather than inside, and, in many cases, this has more to do with a lack of political will than to a lack of funding. This holds true as regards unequal distribution of land, for example, as a result of which the poorest population groups are driven into virgin forest areas; and this explains the need for land reform.

A root-and-branch policy, however, would be geared to eliminating structural causes of deforestation. This presupposes, among other things, that governments of tropical countries carry out political policy changes such as land reform. The granting of donor moneys should be made conditional to some extent on a willingness to carry out such changes. This is also a major

feature of Parliament's proposal on regulating Community imports of tropical timber, linking financial assistance with a willingness to bring logging into line with what is environmentally acceptable in forest areas. Provision would also be made for financial compensation where there was a decline in foreign-exchange earnings.

A root-and-branch policy would also require the Community and other donors to do much more than simply increase funding, since it is the Northern Hemisphere where, to some extent, the source of the structural causes of deforestation is to be found and responsibility for sustaining this situation lies.

In this connection, attention should focus on the debt crisis. There is now a much larger net financial transfer from the Southern to the Northern Hemisphere than the other way around. Most tropical countries are being crushed by the burden of debt repayments. Structural adjustment programmes imposed under the direction of the IMF and World Bank increase the pressure to exploit forests and marginalize the poorest communities. Of the 17 countries with the highest debt burden, 14 are having to cope with a loss of tropical forests on an alarming scale. The problem is being exacerbated because export-oriented activities have reduced world market prices, as a result of which more has to be produced and forest areas have to be destroyed in order to earn the same amount of foreign exchange. Debt remission is an essential factor in combating deforestation, as the Commission has also inasmuch acknowledged (p. 34). The Community itself is not a major creditor, however.

There are other aspects in connection with macroeconomic and trade policy where Community influence is potentially greater. On this the Commission is tight-lipped, which itself reveals a number of failings:

- By discussing only tropical-timber trade as a possible policy area and disregarding other trading areas, the Commission communication is not consistent: the fact is that Community imports of products such as soya, tapioca and iron ore (under the Grande Carajas programme) cause deforestation both directly and indirectly;
- A further shortcoming is that there is no discussion of the activities of Western European companies in tropical-forest areas, let alone Commission proposals on subjecting such activities to stricter controls by drawing up codes of conduct or more binding statutory measures, the enterprises concerned including loggers, mining companies and firms specializing in large-scale agriculture and infrastructure construction;
- Even more importance attaches to trade policy in general, areas of special interest including GATT negotiations, which may undermine tropical-forest conservation objectives, and tariff schemes which discriminate in favour of imports of unprocessed tropical products (including timber) and against imports of processed products.

6. The role of the Commission

Spending additional development funding for tropical-forest purposes has hitherto resulted in deforestation that has taken many forms. Many projects and programmes are both environmentally and socially harmful, as two topical cases in point at Community level illustrate:

- The Community is considering making available 1 910 000 ECU, as part of the Regional Forestry Programme for Central Africa, with a view to quadrupling the volume of timber extracted in Equatorial Guinea;
- French Guyana, which contains 9 m ha of tropical rainforest, is claiming 73.4 m ECU from the European Development Fund; the money is intended *inter alia* for the construction of roads and infrastructure facilities, which would sound the death knell for the last remaining rainforest on Community territory.

The financing of projects which promote deforestation points up the problem of tropical countries' low absorption capacity. The fact that donor policy is inadequate is also a major factor, however. As far as the Community level is concerned, DG VIII is extremely slow, by comparison with other multilateral development organizations, in implementing environmental reforms. The new Lomé Convention provides a framework for improving matters in this respect. As far as implementation in particular is concerned, then, the necessary conclusions must be drawn.

DG VIII currently lacks the requisite environmental and anthropological expertise. There are serious shortcomings in the environmental procedures followed; environmental impact assessments are not carried out systematically, nor are DG VIII's officials very familiar with this approach. In general, there is also a lack of coordination between the Member States and they do not make use of each other's expertise. The fact that NGOs are not involved in Western Europe or - and this is even more important - in the tropical countries concerned leaves much to be desired. For these reasons, among others, there have been urgent calls from various quarters for an environment directorate to be set up within DG VIII.

7. Conclusion

The Commission communication places the tropical-forest crisis in a global context rather than highlighting it as a tangible human and environmental disaster. This possibly does not come directly within the ambit of the Commission. That does not alter the fact that policy must be based on protecting forests and forest dwellers. In many instances, continued tropical-product extraction, trade and consumption achieves the exact opposite, in the light of which the Community must model its trading relations and development links with tropical-forest countries. The burden of putting this policy principle into practice cannot merely be left to tropical countries or to international organizations to bear: this is specifically incumbent on the Community itself.

OPINION

(Rule 120 of the Rules of Procedure)

of the Committee on the Environment, Public Health and Consumer Protection

Draftsman: Mr MUNTINGH

On 23 March 1990 the Committee on the Environment, Public Health and Consumer Protection appointed Mr Muntingh draftsman.

It considered the draft opinion at its meetings of 21 May and 20 June 1990 and at the latter meeting adopted the conclusions unanimously.

The following took part in the vote: Collins, Chairman; Scott-Hopkins, Vice Chairman; Muntingh, draftsman; Bertens, Bjornvig; Bombard; Bowe, de la Camara Martinez; Canavarro, Ceci (for Imbeni); De Piccoli, (for Puerta); Diez de Rivera Icaza; Estgen (for Alber); Hadjigeorgiou (for Banotti); Caroline Jackson; Jensen; Monnier-Besombes; Llorca Vilaplana; Partsch; Pereira; Pimenta; Pollack; Quistorp; Roth-Behrendt; Schwartzenberg; L. Smith; Valverde Lopez; Vernier, Vertemati and Vohrer.

TROPICAL FORESTS AND THE IMPORTANCE OF NON-TIMBER FOREST PRODUCTS

INTRODUCTION

While tropical forests are attracting widespread and increasing interest, the situation in these forests is less encouraging as they are facing large-scale destruction. Although policy makers are paying much greater attention to the problems of tropical forests it is mainly in wide-ranging and broad terms. The strategies worked out for the tropical forests are correspondingly general. Too little attention is paid to the ecological constraints and potential of the forests themselves and concern for the local population and the forest dwellers in particular is extremely superficial if not non-existent.

The Commission's communication on the conservation of tropical forests is a prime example of such a barren strategy. The Commission takes dozens of pages to explain that it would much rather leave everything to existing (incompetent) structures such as the International Tropical Timber Organization (ITTO) and the Tropical Forestry Action Programme (TFAP). No reference at all is made to the resolution adopted by the European Parliament with the largest possible majority which called for a Community regulation to govern trade in tropical hardwoods and for European aid for the establishment of forest management plans.

Your draftsman considers that the need for a regulation to govern the import of tropical hardwoods, together with agreements on aid for forest management programmes, is still as great. These forest management programmes should be geared much more to the possibilities of the forest ecosystems and the forest peoples than is the case under the present forest exploitation systems. In other words greater efforts must be made to achieve a sustainable management system which in the long term will benefit both the local people and biodiversity. The draftsman will deal with these aspects below.

SUSTAINABLE RETURN FROM NON-TIMBER FOREST PRODUCTS

Until recently the economic value of tropical rain forests was defined almost exclusively in terms of the quantity of timber which these forests could supply. However the extraction of timber from tropical forests is an extremely wasteful process which usually leads to a considerable reduction in the other economic and non-economic assets of the forest. Such assets include an extremely wide range of useful non-timber forest products. The role which these products play in the local economies of tropical forest regions have long been ignored. This is all the more striking as these products can be harvested on a sustainable basis without the tropical rain forest base being affected.

THE EXAMPLE PROVIDED BY FOREST DWELLERS

Indigenous forest dwellers on three continents demonstrate the responsible use of tropical forests based on the extraction of dozens and sometimes hundreds of different forest products. The inhabitants of tropical rain forests have learned to adapt to the enormous diversity of species in their forests and have found uses for many of the plant species in their surroundings. Research in the Amazon rain forest has shown for example that the indigenous Indians find a use for 50 to 70% of all the tree species with a diameter of more than 10 cm.²

The knowledge held by the various forest-dwelling peoples both with regard to the usefulness of a large number of plants and animals and the proper management of the natural resources of the forest represents an enormous potential of which only very limited use has been made.

The Indians of the Amazon region, the pygmies and other peoples in the rain forests of Central Africa and the large number of indigenous peoples in South East Asia are largely dependent for their existence on the forest as the supplier of a wide range of natural materials. In south-east Asia alone at least 29 million people, the estimated number of traditional forest dwellers, are directly dependent on the forest, while the total population which benefits is probably twice as many³.

In numerical terms only a small proportion of the traditional forest dwellers, for example the pygmies of Zaire and Congo and the Punan in Borneo live exclusively from hunting and gathering wild forest products. For most of the people who have always lived in the tropical rain forests some three or four activities play a vital role in their economy:

1. small-scale agriculture adapted to the rain forest,
2. hunting and fishing,
3. gathering wild plants (and animals) for their own use and for sale,
4. small-scale processing of forest products for sale.

THE FUNCTIONS OF NON-TIMBER FOREST PRODUCTS

Non-timber forest products obtained through hunting, fishing and gathering have several functions in rural households. They supply foodstuffs, implements, construction material, medicines, culturally significant artifacts and income.

² Prance, G. Fruits of the Rainforest, New Scientist 13.1.1990, pp. 42-45

³ Beer, J. H. de & McDermott M. J. (1989). The Economic Value of Non-timber Forest Products in Southeast Asia. Netherlands Committee for IUCN, Amsterdam

Foodstuffs

Food from the forest supplies essential vitamins, minerals and proteins and supplements cultivated crops. Fruits, nuts, palm shoots, honey and fungi are eaten as side dishes or snacks.

The importance of the protein supplied by game, fish and to a lesser extent insects should not be under-estimated. In rural areas of Zaire and Liberia 27% and 70% respectively of local consumption of animal proteins comes from game.⁴

In the Malay state of Sarawak a total of 20 000 tonnes of game is consumed each year, i.e. 12 kg per head of population. To replace this quantity of game by other meat would cost 300 million ringit (US\$ 130 million) including transport costs.⁵

In some cases food from the forest is also used as a primary source of carbohydrates. More often such food provides a buffer for emergencies, for example where a harvest has failed. Such reserve food supplies could be considered as the social services of rural areas in the Third World.

Implements

The forest provides the raw materials for making various implements and for construction activities. Rattan and various other fibres have a wide range of uses.

Health care

The forest makes a contribution to health care by providing ingredients for traditional medicine. Alternatives often do not exist or could not be paid for.

Income

Forest-dwelling peoples obtain their income from gathering, trading and processing non-timber forest products. Where there are few alternative sources of income even relatively small amounts of money per household obtained via these products are extremely important.

Even in the national economy of forested Third World countries, non-timber forest products are important in particular because of the potential which these products offer for really sustainable exploitation of rain forests. Non-timber forest products contribute to the national economy through domestic processing and consumption and through exports.

⁴ Prescott-Allen, R. & C. (1982). What's wildlife worth? Economic contributions of wild plants and animals to developing countries. Earthscan, IIED, London

⁵ Caldecott, J. (1988). Hunting and Wildlife Management in Sarawak. IUCN, Gland & Cambridge

Foreign exchange

The export of processed and unprocessed non-timber forest products provides urgently needed foreign exchange. Exports include nuts (such as illupi and brazil nuts) swallows' nests, chemical raw materials including various resins and essential oils, perfumes and various types of natural rubber, ornamental plants, reptile skins and live animals.⁶

Ratta is an extremely important product, in particular in south-east Asia. The value of rattan-finished products on the world market is almost US\$ 3 billion per annum.

To take one example, the export value of non-timber forest products from Indonesia amounted to US\$ 238 million in 1987. This figure should undoubtedly be much higher as many non-timber forest products are not included and the trade in the products which are included did not generate sufficient income.

The producer countries could obtain much more income from non-timber forest products if more processing took place in the countries concerned.

Domestic consumption

In addition to supplying the immediate needs of forest communities, non-timber forest products are also used within the countries. There are few statistics, but some studies indicate that this trade is of considerable value in some countries.⁷

Employment

In countries such as Indonesia and Thailand many more people find part-time or full-time work in the non-timber forest products sector than in the timber sector. The non-timber forest products industry is very labour intensive by comparison with the timber sector.

SUSTAINABLE MANAGEMENT SYSTEMS

Non-timber forest products could potentially be of considerable importance as an integral part of a sustainable management system for tropical forests. Such a system should be designed simultaneously

- to maintain the role of the forest in terms of biodiversity and the ecosystem,
- to promote national economic development in a responsible manner,
- to maintain or improve the security of life in rural areas, and
- to enable traditional forest dwellers to develop further a lifestyle which is economically viable but which does not harm their cultural integrity.

⁶ Large-scale smuggling also occurs of protected species, which should naturally not be viewed favourably.

⁷ See Peters, C.M. et al. Valuation of an Amazonian Rainforest. Nature, Volume 339, 29 June 1989, on the role of wild fruits on the market of the city of Inquitos, Peru and Beer, J.H. de McDermott, M.J. (1989), pp. 82-85, on the pharmaceutical industry in Thailand

At this point it should be noted that the development of non-timber forest products does not automatically mean that the rural population will benefit. If that is to be achieved the traditional ownership rights of the forest dwellers must be formalized and maintained. Confirmation of ownership and control of the management of forests by the communities living in or near them should moreover encourage careful management of natural resources.⁸

At present the desire for careful management has been weakened by the uncertainty concerning long-term use and external threats.

COLOMBIA

In one country, Colombia, the ideas outlined above have been used by the government as the basis for actual policy (as regards the Indians in the Amazon region). In 1988 the President Virgilio Barco signed a treaty with Indian tribal leaders which returned the land rights to 6 million hectares of Amazon forest to the original Indian inhabitants. Since then many practical measures have been taken to implement this agreement. When the treaty was signed in 1988 President Barco said that only by recognizing the rights of indigenous communities would it be possible to bring about a rational, balanced and sustainable management of these natural resources.

⁸ See the recommendations made by the World Commission on Environment and Development (1987). Our Common Future, Brundtland, Oxford University Press, Oxford

CONCLUSIONS

The Committee on the Environment, Public Health and Consumer Protection requests the Committee on Development and Cooperation to incorporate the following recitals and paragraphs in its draft resolution on the conservation of tropical forests:

- A. having regard to its resolution, adopted by a very large majority on regulating the trade in tropical woods and tropical wood products as a means of tropical forest management and conservation,
- B. having regard to the agreements on the environment and tropical forests, in particular in the Lomé IV Convention,
- C. deeply disappointed at the attitudes of the Commission and the Council with regard to their responsibility for tropical forests and at their failure to take account of Parliament's proposal on regulating trade in tropical woods,
- D. whereas the deforestation of tropical forests on the current large scale is a major risk to the interests and way of life, as well as the cultures and traditions of countless forest dwelling peoples and indeed threatens their very existence and survival,
- E. whereas, as has been widely demonstrated, the uncontrolled deforestation of large areas and resulting desertification cause irreversible changes to the ecosystem, creating a biological and environmental imbalance throughout the world,
- F. whereas the international trade in tropical woods is one of the most important reasons for the destruction of tropical forests and whereas the European Community is directly involved in this process,
- G. whereas international programmes for tropical forests do not pay sufficient attention to the forest-dwelling peoples, their anthropological relationship of thousands of years with their natural environment and the maintenance of biodiversity,
- H. convinced that the extraction of timber in tropical forests causes a great deal of often irreparable damage and that only short-term and limited profits are obtained, which do not, in any case, reach the local population nor help it in any way to develop alternative means of income,
- I. whereas the use of non-timber forest products in tropical forests causes far less damage to the forest ecosystem and is moreover well adapted to the lifestyle of forest dwelling peoples, making sustainable exploitation possible,
- J. whereas the use of non-timber products from tropical forests can potentially make a considerable and sustainable contribution to the economies of the countries concerned and whereas this contribution also has important employment and social implications,
- K. whereas, therefore, such a diversification in forest usage should also be sought by means of policy measures, forming part of specific programmes

which are properly assessed,

- L. whereas greater diversification of forest activities can only be sustained if the conservation of biodiversity is given prominence, with large areas of the forest being placed under protection,
- M. whereas in view of their traditional rights and their great experience in dealing with the forest environment, the local forest-dwelling peoples should have a decisive role to play in any systems for using or exploiting forests,
- N. whereas to ensure the involvement of the local forest-dwelling peoples in management plans, the ownership rights of these peoples must be formalized and they must be assured that they have sufficient land,
- O. expressing its respect and support for the Government of Colombia which has formally and effectively transferred the land rights for a large area of the Amazon region to the Indian people,
- 1. Calls on the Commission to draw up a regulation by June 1991 which not only governs but also rationalizes and imposes adequate restrictions on the imports of tropical timber into the Community using quotas established on the basis of tropical forest management and conservation plans drawn up by the countries concerned;
- 2. Calls on the Community and its Member States when such a system is introduced to approve the necessary economic and financial compensatory measures for the developing countries concerned and the indigenous populations which are directly affected;
- 3. Calls on the European Community and its Member States to operate a policy of writing off the debts of countries which undertake to implement a responsible policy with regard to the conservation and regeneration of their tropical forests which safeguards all living species;
- 4. Calls on the European Community to give support in particular to plans for tropical forests which concentrate on conserving biodiversity and a greater diversification of activities;
- 5. Calls on the European Community to assist studies and projects designed to support local forest-dwelling peoples in the exploitation and use of trade in non-timber forest products;
- 6. Calls on the European Community to withhold support from projects and investments in forest areas which are detrimental to the forest-dwelling peoples or the biodiversity in the areas concerned;
- 7. Calls on the European Community to give preference in financial and other forms of support to Colombia and other countries which are prepared to formalize the land rights of the forest-dwelling people.