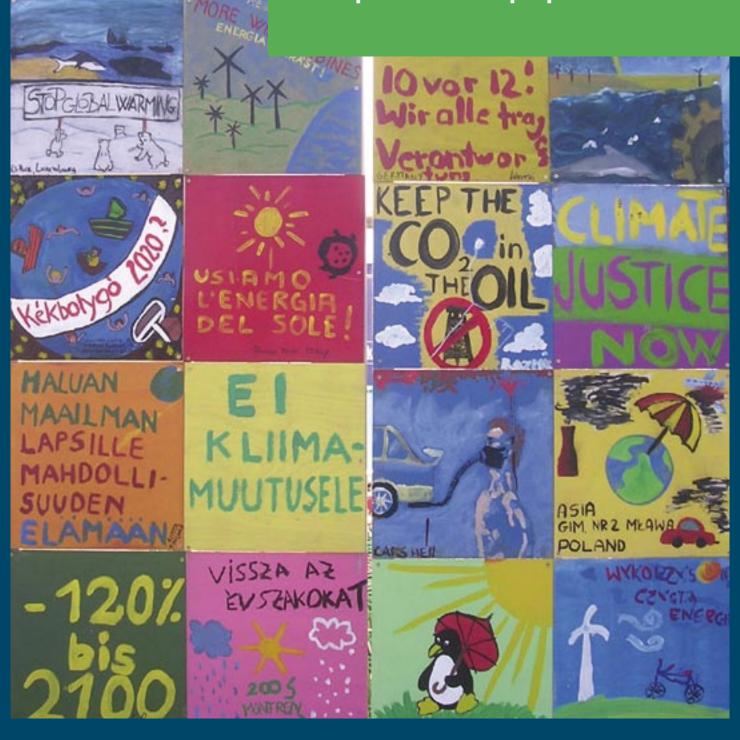
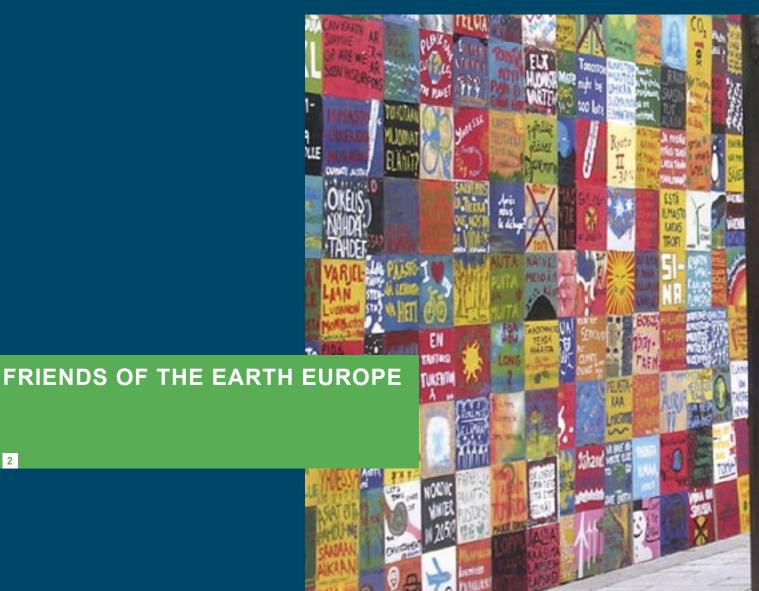


ANNUAL REVIEW 2005

For the planet - for the people - for the future





Austria ■ Belgium (Wa) ■ Belgium (FI) ■ Bulgaria ■ Croatia ■ Cyprus ■ Czech Republic ■ Luxembourg ■ Macedonia ■ Malta ■ The Netherlands ■ Norway ■ Poland ■ Scotland ■

2





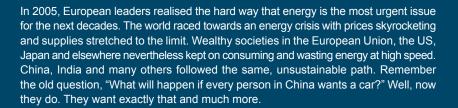
Denmark ■ England/Wales/Northern Ireland ■ Estonia ■ Finland ■ France ■ Georgia ■ Germany ■ Hungary ■ Ireland ■ Italy ■ Latvia ■ Lithuania ■ Slovakia ■ Spain ■ Sweden ■ Switzerland ■ Ukraine

- the European arm of Friends of the Earth International, the world's largest grassroots environmental network uniting 73 national member organisations and thousands of local activist groups
- the people's voice at the heart of the European Union and throughout, united in strong grassroots activism and effective advocacy
- the largest grassroots environmental network in Europe campaigning for the planet, for people and for our future









Meanwhile in the capital of Europe, Brussels, officials felt increasingly uneasy. They know that too much oil is imported from the volatile Arab world and that the flow of Russian gas can be blocked by the Kremlin at a whim. In despair, they pledged to overcome this addiction and launched the slogan of the year, 'energy security'. Friends of the Earth added pain to grief by reminding them that burning fossil fuels like oil and gas are destroying our climate, and that nuclear power is definitely not the solution. The time has come to radically cut greenhouse gas emissions and to massively invest in clean technologies – or face catastrophic consequences on a global scale.

The Brussels office of Friends of the Earth influences the environmental policies of the European Union. We ensure that people have a voice right in the heart of Europe. We raise awareness about how the Sustainable Development Strategy of the EU should be. This would impact all other continents and, for example, help develop mobility concepts beyond jammed highways and exhaust pipes emitting climate damaging carbon dioxide (CO_a).

Our experts counterbalance the industry lobby and participate in hearings in the European Parliament. We deliver critical opinions and solutions to the EU Commission. We ignite public debates on the role of the EU in the World Trade Organisation (WTO) and demand fair deals with developing nations. We monitor how EU funds are being spent in the new member states. We publish criteria for the Sustainable Impact Assessment of the Euro-Mediterranean Free Trade Area. And we run capacity building projects with small Friends of the Earth groups to make every corner of Europe greener.

Together with nine environmental organisations based in Brussels – forming the Green 10 – Friends of the Earth Europe has maximum impact on EU officials. We join forces with other groups and develop alternative ideas for REACH, the legislation on toxic chemicals. REACH will again be debated at the end of 2006, and the EU Parliament will hopefully adopt it as historic legislation helping to replace toxic chemicals with safe alternatives.

With our 31 member groups in Europe, we are part of an international environmental justice network pushing for deep changes in economic policies, in consumption habits and in relations between rich and poor nations. With your support we will convince corporations to link profits with ethical behaviour. We will persuade the EU to stop pumping Euros into unsustainable projects. We will help prevent catastrophic climate change and avoid GM pollution of our crops and food. Thank you.

of TAMOR

Fouad Hamdan
Director, Friends of the Earth Europe

PS: 2005 was a year of transition for us. We said goodbye to Martin Rocholl as Director and welcomed him as Chairman of the Board. Martin created the strong and influential campaigns we now have.



A STRONG NETWORK

Building capacity to meet the challenges of 2010

6

"With Growing Together we could implement a deeper and more significant change in our organisation." Friends of the Earth Hungary

"The organisation two years ago and the organisation now – they are not comparable."

Friends of the Earth Latvia

"It's about fundamental and lasting change, for good."

Friends of the Earth Estonia

Many non governmental organisations are facing fundamental change, as they grow and as civil societies develop. To support groups in managing change and growth, and to build cohesion and power right across the network, Friends of the Earth Europe started capacity building for the long term in 2003. All elements of organisational structures, strategic planning, membership development, fundraising, communications and voluntary activism are addressed.

Phase I: 2003 - 2005 'Growing Together'

- Bulgaria
- Czech Republic
- Estonia
- Hungary
- Latvia
- Slovakia

Phase I outcomes - some examples

- Membership more than doubled in Estonia
- In the Czech Republic 15% of income now comes from individuals
- Friends of the Earth Slovakia is now the second-most quoted non governmental organisation domestically
- In the first nine months of 2005, Friends of the Earth Hungary organised five campaign tours visiting 41 cities, involving 38 local groups and attracting tens of thousands of visitors

Phase II: 2005 - 2007 'Adelante!'

- Croatia
- France
- Malta
- Spain





AN INFLUENTIAL NETWORK

Getting people involved to stop local destruction

7



© FoE Slovakia

The forests and wilderness of Slovakia

In the Tatras National Park, even the air is beautiful. The range of biodiversity and abundance of nature is an amazing sight for Western Europeans who no longer have access to such wilderness. Last year, Friends of the Earth Slovakia alerted Friends of the Earth Europe to massive forestry clearance that was suddenly underway in the Tatras National Park. Campaigners from all across Europe came to the high Tatras in June to protest the illegal logging in protected natural areas.



© Joanna Dober

The landscapes and biodiversity of Ibiza

The island of Ibiza, a rare gem of biodiversity and unspoiled landscapes, is under heavy and sustained attack from developers. Large sums of local taxpayers money is being used to speed build a network of motorways complete with flyovers. Rare archaeological sites uncovered by the bulldozers are being razed and homes demolished without respect for the law. Friends of the Earth Ibiza mobilised thousands in protests - yet politicians and in some cases their own construction companies are intent on reaping the financial benefits while unleashing havoc on nature and heritage.



© FoE Finland

The climate and natural habitats of Finland

Snowmen are not generally recognised as political activists. Yet as rapid climate change pushes their snowy habitats further and further north, they are becoming endangered in many parts of the world. For this reason, hundreds of snowmen demonstrated in more than 20 towns in Finland, Sweden and Murmansk (Russia) in February against climate change which threatens them - as well as most other inhabitants of the planet.



© Phil Rider

The poorest communities of Scotland

Against all expectations, Friends of the Earth Scotland won a hard-fought public inquiry to stop Britain's biggest motorway building project in 2005. The six-lane motorway was planned through some of the poorest communities in Glasgow, and would have generated more traffic, added to climate change, damaged the local economy, and cost over £500 million. The battle is not yet won, as Friends of the Earth Scotland was forced to take the government to court after ministers decided to ignore the findings of the independent inquiry.

1991 1992 1993



A NETWORK WITH POWERFUL ALLIES

Keeping Europe free from genetically modified food

8

The resistance to genetically modified (GM) food in Europe is greater than ever.

The number of European regions and provinces now declaring themselves GM Free zones, or publicly wishing to restrict GM crops, has climbed to **172** in the EU alone.

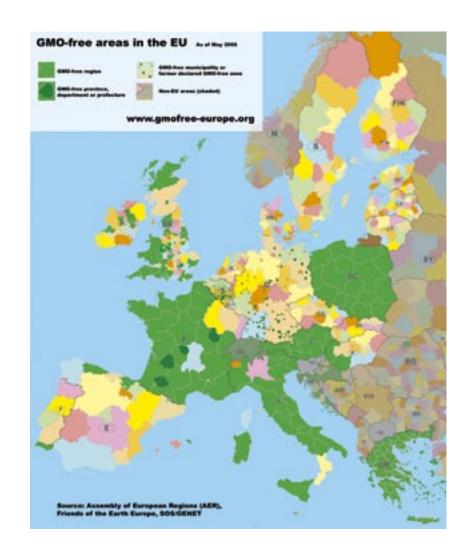
Over **4,500** local governments and smaller areas in Europe are similarly calling for restrictions to commercial growing.

There are GM-free initiatives virtually in every European country.

Friends of the Earth Europe works closely with the Assembly of European Regions and GENET, the European network of non-governmental organisations on Genetic Engineering and a growing coalition of regional governments including Upper Austria and Tuscany that have declared themselves GM free.

"Europeans tend to be more suspicious of genetically modified food than Americans are. National governments refused to approve any of the genetically modified products, leaving the final decision to the Commission, because they fear a backlash at the ballot box."

Adrian Bebb, Friends of the Earth. New York Times, 6 April 2005

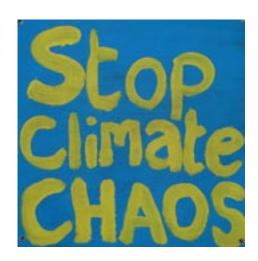






ENGAGING PEOPLE WITH THE BIG ISSUES

Climate change is a real and immediate threat











Summer 2005 saw citizens from every corner of Europe joining together in one common task: telling world leaders that the time had come for real and immediate action to tackle climate change. As activists went out onto the streets and to festivals armed with wooden tiles, paints and paintbrushes, people began to queue up to paint their own message. Hundreds of individual hand painted messages were collected from places in every corner of Europe and were brought first to Luxembourg – for Europe's Environment Ministers to see, and then to Montreal, Canada, for world leaders to see. Enormous walls full of painted tiles were set up right in front of the UN climate negotiations.

Our leaders could not help it but look at the wall of energy in front of them. We inspired leaders to take decisive action. Thank you to the many activists, volunteers and supporters who got involved and gave their time and energy to make this happen.

"The blame goes mostly to national economy and industry ministers, who constantly block any attempts to introduce mandatory targets for renewable energies, energy efficiency rules or fuel consumption standards for cars."

Friends of the Earth Europe's Jan Kowalzig. Reuters, 21 June 2005

The climate change campaign launches by mobilising thousands of people to the Hague to build a 'Dike' around the international climate

2000

2001

2002



The climate campaign supporters pull a giant lifeboat through the streets of Bonn to symbolise the drowning planet as the international climate negotiations continue.

First mass cyber action launched with the aim to 'Flood' US President George W. Bush' with emails demanding action on climate change.

'Abolish the Euratom Treaty' conference in Brussels contributes to the EU Constitution debate by alerting policy makers that an outdated Treaty remains in place that promotes nuclear power.

Hundreds of Friends of the Earth campaigners and supporters from all around Europe push shopping trolleys to the EU Council in Brussels to demand food free from GM contamination.

People of all nationalities lent their support to the 'climate wall'



MANY THANKS TO EVERYONE WHO HAS GIVEN SO GENEROUSLY TO HELP MAKE OUR WORK POSSIBLE THIS YEAR

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EU DG Trade ■ EU Phare Access Programme ■ University of Manchester ■ United Nations Environmental Programme ■ Ministry for Environment, Germany ■ Ministry for Environment, Italy ■ Sigrid Rausing Trust ■ OAK Foundation ■ James M Goldsmith ■ Heinrich Boell Foundation ■ Network Women in Development Europe ■ Grass Roots Foundation ■ Swedish NGO Secretariat on Acid Rain ■ Friends of the Earth International and national groups

2003 2004

Members of the European Parliament alerted to environmental dangers presented by the EU trade policy agenda at Friends of the Earth public hearing.

'The Tomato Tour': Multi-country information tour on international GM policy which threatens to force Europe accept US products contaminated with GMO.

Environment, health, development, farmer and consumer organisations join forces led by Friends of the Earth Europe to lobby for a fundamental shift in EU food and farming policy.

Handover of petition organised by Friends of the Earth Europe signed by 100 000 people objecting to the Word Trade Organisation (WTO) forcing GM food into Europe.

Safer chemicals campaign lobbies for a strong REACH, the EU legislation on toxic chemicals.

Multi-country tour of ten metre high Dinosaur gathers crowds at every stop eager to learn about climate change.

'EU Vote Watch' website reveals the environmental voting record of Members of the European Parliament to assist citizens in their voting choices.

EU expands to 25 member countries.

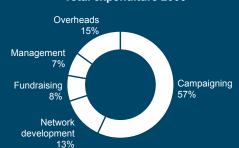




Growth (in Euros)

2001 — 647,636 2002 — 812,347 2003 — 887,655 2004 — 1,023,332 2005 — 1,154,986

Total expenditure 2005



Total income 2005	Euros 1,154,986.38
Campaigning and information provision	595,734.01
Network development capacity building	136,194.11
Fundraising	77,681.51
Management	75,719.86
Overheads	162,074.98
Total expenditure 2005	Euros 1,047,404.47

Reserves carried forward

107,581.91

"We have audited the balance sheet and income statement for the year ending December 31, 2005, prepared in accordance with the legal and regulatory requirements applicable in Belgium. In our opinion, the balance sheet and income statement for the year ended December 31, 2005 give a true and fair view of the company's assets, liabilities, financial position and results of operations."

Antwerp, March 17, 2006 Clybouw Reviseurs d'entreprise scprl represented by Andre Clybouw

Full copies of the accounts are available free of charge from Angela van Aalst on +32.2.542 0180 or download at www.foeeurope.org

"Friends of the Earth always has a strong grip on the issues and can get right to the heart of new policies, unravelling them for ordinary people."

Emma Tucker, Financial Times

2005



One hundred Earth gnomes are displayed in front of the European Parliament in Strasbourg to say 'Don't dwarf REACH: Vote for a strong EU chemicals policy'.

The 'climate wall' in Montreal, Canada asked world leaders for commitment to tackle climate change



TAKING EUROPE'S VOICE TO THE WORLD STAGE

12



People were drawn to the mosaic of climate messages in Montreal

vidual citizens were built into the Friends of the Earth Europe 'Climate Mosaic' outside the United Nations climate negotiations. These messages painted in street actions all over Europe sent a clear signal that people in Europe want governments to take action on climate change. Montreal, December 2005.

People's voice at UN climate talks - Thousands of climate messages from indi-



The Hong Kong handover drew significant crowds

People's voice at WTO talks – Friends of the Earth Europe campaigners delivered a citizens' petition signed by 135,000 people from 100 countries to the World Trade Organisation (WTO) demanding people's right to choose whether or not to eat genetically modified (GM) food. The petition was backed by 750 organisations together with a joint membership of 60 million people. Hong Kong, December 2005.



Documenting the horrors of oil exploitation

Justice for the world's poorest – The Federal High Court in Nigeria ruled that gas flaring by the oil giant Shell in the Iwerekhan community is a violation of human rights and should stop immediately. The court case was brought by Friends of the Earth Nigeria and representatives of local communities affected by gas flaring by the big oil companies, with active support from Friends of the Earth Europe and groups in the UK and Netherlands. Nigeria, November 2005.

"Friends of the Earth Europe plays a leadership role among European NGOs that are concerned about trade, development and environment issues...helping NGOs from the South to put views across to the European Parliament and European Commission. Friends of the Earth Europe is creative and effective in its leadership."

Martin Khor, Third World Network





PEOPLE'S VOICE AT THE HEART OF THE EUROPEAN UNION

13

"Friends of the Earth Europe is one of the most solid and respected campaigning organisations in Brussels."

Paul Kaye, ENDS Europe

"Friends of the Earth Europe shows professionalism, has extensive knowledge of the issue, often deeper than that of industry experts, as well as marked commitment to the issue."

Sonik Boguslaw, Member of the European Parliament, Poland

Putting pressure on the EU – Trade Commissioner Mandelson committed to new Sustainability Impact Assessments of EU trade agreements after pressure from Friends of the Earth Europe and partners. Measuring the damage to the environment, natural resources, communities and local economies caused by free trade is vital to understanding and mitigating its overall negative impacts.

Counterbalancing the industry lobby – Providing key information to Members of the European Parliament on REACH (EU chemicals policy) was a necessary counterbalance to the unprecedented lobby by Europe's big chemicals corporations.

Raising awareness – As part of the 2005 official EU Green Week programme, Friends of the Earth Europe staged the panel discussion 'Equity in the Greenhouse: Ensuring poor countries' right to development while fighting global warming'. The panel highlighted issues such as 'carbon debt' and the responsibility of the North to compensate climate victims in the South.

Powerful advocacy – In July 2005, the European Parliament adopted most of Friends of the Earth Europe's recommendations to ensure that EU structural funds are not wasted on environmentally destructive projects. This followed a campaign fought in coalition with other non governmental organisations.

Forcing EU transparency – Friends of the Earth Europe triggered a European Commission investigation into potentially illegal nuclear subsidies in Slovakia, and used this case study to push for tighter controls on nuclear-sector state aid across the European Union.

Mobilising civil society – An initiative by Friends of the Earth Europe's MedNet campaign mobilised over 400 Mediterranean non governmental organisations to lobby on the EU Mediterranean Strategy for Sustainable Development.

Holding the EU to account – The European Commission took action against illegal imports of GM maize into Europe after Friends of the Earth Europe ran a short, hard-hitting campaign exposing the facts to EU officials.

Getting more people involved - 80,000 people signed Friends of the Earth post-cards demanding just trade and sent them to EU Trade Commissioner Mandelson and national Ministers in Spring 2005. Just trade means protecting the environment, enforcing rules for big corporations and giving everyone a voice.





FROM GRASSROOTS TO THE EUNEGOTIATING TABLE

14

Energy and climate change

Climate change is the biggest single issue for Friends of the Earth Europe, and our energy and climate campaign is working hard for a strong international agreement beyond 2012. when the current provisions of the Kyoto Protocol end. Such an agreement is crucial for further reduction of greenhouse gas emissions to limit catastrophic climate change, but it is of equal importance to ensure that Europe takes decisive steps to revolutionise the way our society produces and consumes energy. Building pressure on national governments when shaping the future energy policy for Europe is therefore a central pillar of our campaign. And getting people involved in our campaign is a priority so politicians feel the full strength of public opinion and start to take decisive action.

Voice inside EU Council – When Europe's Environment Ministers met in October to agree the EU position for the 2005 UN climate negotiations, Friends of the Earth Europe gave each Minister a message painted in his own language by one of his own citizens expressing concern about climate change. When Ministers left the meeting they were confronted by a 100m long wall of 2000 similar messages.

Evaluating European climate policy – The publication 'How the European Union responds to the Global Threat of Climate Change' published by Friends of the Earth Europe in November assesses existing and planned policies to limit greenhouse gas emissions in order to both meet the obligations under the current climate treaty, the Kyoto Protocol, as well as the long-term needs to avoid catastrophic climate change.

Trade justice

Friends of the Earth Europe is a founding member of the Seattle to Brussels Network which brings together European campaigners working for development and the environment, human, women's and indigenous rights, social justice and sustainable farming. The network was set up following the mass anti-globalisation demonstrations in Seattle in 1999 to provide a constructive counterbalance to the corporate driven trade agenda of European governments.

The campaign 'WTO: Hands Off Our Natural Environment' was launched in 2005 as part of an ongoing range of activities work to put sustainability and justice at the heart of European Union trade policy. A just and sustainable world trade regime would bring benefits to citizens and limit harm to the environment and natural resources in both Europe and in developing countries.

Holding the EU to account – Following the Friends of the Earth Europe – Women in Development Europe Trade Hearing, EU Commissioner Mandelson announced the EU would oppose World Trade Organisation plans for free trade in natural resources such as fish, forests and precious metals. Such measures would bring certain and irreversible harm to people and the environment around the world.

GM free Europe

The Friends of the Earth biotechnology programme was established in 1991 to monitor the use and effects of genetic technology in the food chain. Ever since questions about their long term safety were raised we have campaigned for a GM free Europe.

Shaping the EU agenda – The Friends of the Earth Europe – Assembly of European Regions conference 'Safeguarding Sustainable European Agriculture' attracted over 250 people to Brussels to hear regional Ministers and Members of the European Parliament demand a role in deciding whether genetically modified crops should be grown in Europe and stating a clear preference for traditional farming methods.

Friends of the Earth is working towards a Europe wide law to restrict the growing of genetically modified crops. This would help safeguard conventional and organic farming from genetic pollution. The potential for genetically modified organisms to 'pollute' plants and animals is a real threat.

WTO: hands off our food!

The campaign 'Bite Back' was launched in 2003 to help Europe stay GM free and resist the pressures of US corporations backed by the US Administration and the World Trade Organisation (WTO) to force genetically modified food into Europe. The US had filed a legal dispute at the WTO claiming that EU laws to protect consumers and the environment from the risks posed by genetically modified food and crops were not compatible with free trade.

Friends of the Earth initiated the 'Bite Back: WTO Hands Off Our Food!' campaign, together with ActionAid Alliance, Public Services International, Public Citizen, the International Gender and Trade Network and others. The campaign now has the support of 750 organisations in 100 countries which represent 60 million people.

Shaping the policy debate Documenting facts Evaluating policy Raising awareness on positive solutions Exposing the truth



Corporate ethics

Friends of the Earth is taking a tough line with big corporations - exposing their activities where they damage the environment and local communities, taking legal action to stop their pollution and destruction, and demanding international and European rules to make them accountable for their actions. Friends of the Earth Europe is a leading member of ALTER-EU, an NGO coalition seeking to end corporate privileges and secrecy around lobbying in the European Union.

Exposing industry lobby tactics - The publication 'Profits before health and environment - How the chemical industry is undermining European chemical legislation' published by Friends of the Earth Europe in November documents efforts by the German led European chemical industry to water down the new EU rules on chemical testing under the REACH draft legislation on toxic chemicals.

Safer chemicals

Friends of the Earth Europe has been working intensively to bring the highest health and environmental standards into the new EU chemicals legislation - REACH (Registration, Evaluation and Authorisation of Chemicals.) Many toxic chemicals remain in use and contribute to a wide range of diseases such as cancers, allergies and reproductive dysfunction.

Getting the message across - 100 toxic gnomes gathered in front of the European Parliament asking Parliamentarians not to give in to the pressure of big chemicals industry to water down the proposed law and instead to vote for a high level of protection for public health and the environment.

Preventing destruction in eastern Europe

Representing more than one third of the EU budget, the Structural and Cohesion funds are fundamentally shaping the long-term development of the new member states in central and eastern Europe. Friends of the Earth Europe has since 1999, together with CEE Bankwatch Network, coordinated a network of NGO experts monitoring how EU funds are spent on the ground. Together we strive to ensure that the billions of Euros allocated from the EU budget are not wasted on environmentally destructive projects.

Sharing expertise - Groups actively involved in monitoring and promoting EU funded projects in the new EU member states and candidate countries gathered in Krakow in November for a Friends of the Earth Europe - CEE Bankwatch - Institute of Environmental Economics seminar on programming of EU funds 2007-13. Participants shared experiences on identifying and stopping environmentally destructive projects funded by EU money and developed strategies for information sharing and media communications.



Protesting about unsafe chemicals at the EU Parliament

For a sustainable Mediterranean

The Mediterranean Programme - Friends of the Earth MedNet - was set up in 1992 to promote sustainable development and raise awareness on environmental protection issues in the Med region bringing groups together from Croatia, Cyprus, France, Italy, Malta, Spain, Tunisia and the Middle East. MedNet has played a considerable part in strengthening the environmental movement and NGO cooperation in the Med region.

Expert input to EU policy - Friends of the Earth Europe is the lead NGO influencing the EU sustainable impact assessment of the EuroMed free trade area. Mednet is actively informing south Mediterranean decision makers of the adverse environmental and social impacts of free trade in the region.

Working with local communities - Educating children on the impacts of food production and consumption and the importance of eating locally produced food is the goal of the Friends of the Earth campaign 'Think global eat local' running in schools throughout the Med region.

"The Commission, in consultations and in working groups, often gives more access to lobbyists from industry and private companies than to other civil society groups. This is something that we want to have addressed as well."

Friends of the Earth's Paul de Clerck on lobbying transparency. Euractiv, 26 July 2005



Friends of the Earth Europe campaigns for sustainable and just societies and for the protection of the environment, unites more than 30 national organisations with thousands of local groups and is part of the world's largest grassroots environmental network, Friends of the Earth International.

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Editor: Joanna Dober Design: □■ I DESIGNER-INK

Thanks to your help Friends of the Earth is making a difference. Our messages are being heard, more than ever before. With so many important decisions being made in Brussels that impact the health of the planet it is important that our messages are heard even louder next year. We look forward to working with you.

