

Minutes of the 11th Meeting of the European Tropical Forest Advisers Group (EFTAG)

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landbouw, natuurbeheer
en visserij

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Preface

This report covers the 11th meeting of the European Tropical Forest Advisers Group (ETFAG). The ETFAG is an informal group of tropical forestry experts from the European Commission and the Member States. The purpose of ETFAG meetings is to enhance information exchange, problem identification, and liaison; thus providing opportunities for action-orientated problem identification and discussion. The group also examines and discusses strategic issues concerning tropical forestry, and facilitates complementarity, co-ordination and coherence between the Commission and Member States. Annual ETFAG meetings are hosted on a rotational basis by one of the Member States or by the Commission. The European Commission in co-operation with the host country prepares the agenda for these meetings. Informal mini-ETFAG meetings are also held occasionally to address a range of topical issues and to carry forward the ETFAG agenda.

The 11th ETFAG meeting was hosted by the National Reference Centre for Agriculture, Nature Management and Fisheries (EC-LNV) of the Ministry of Agriculture, Nature Management and Fisheries of the Netherlands. The venue was held at the Conference Centre 'De Wageningse Berg' in Wageningen, the Netherlands. A range of themes were discussed, most of them continued from earlier meetings. Among them were the draft Code of Conduct for the European Commission and EU Member States, the Asia Illegal Logging Conference and its aftermath, and the 6th Conference of Parties (COP6) of the Convention on Biodiversity to be held in the Netherlands in 2002.

Drs. R.P. van Brouwershaven
Director National Reference Centre for Agriculture, Nature and Fisheries

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Agenda of the 11th ETFAG meeting

Wageningen, The Netherlands, 1 and 2 November 2001
Conference Center 'De Wageningse Berg'

Thursday 1 November

- ☞☞ Welcome address
- ☞☞ Matters arising from the 10th ETFAG meeting
- ☞☞ EC and EU-MS (Forest) Policy updates
- ☞☞ NFP experiences and Code of Conduct
- ☞☞ PROFOR and the NFP Implementation Facility

Friday 2 November

- ☞☞ CoP 6 of the Convention on Biodiversity
- ☞☞ Follow-up on EU Expert Group and the Council Resolution on Forests and Development and EU Forest Strategy
- ☞☞ Update on ETFRN
- ☞☞ Asia Illegal Logging Conference (FLEG)
- ☞☞ Worldbank Forest Strategy
- ☞☞ Any other business and where to go from here

Action points arising from the 11th ETFAG meeting

Section no.	Action	Proposed deadline	Responsible	Remarks
5.1.	NFP Implementing Facility: Workshop on strategy and operational details	January 2002	FAO & MS	
5.1.	Formal launching of the NFP Implementing Facility	in February 2002	FAO & MS	
7.1.	to send in comments on the EU Forests Strategy Paper	before 27 November.	ETFAG members	
7.4.	The existing draft Code of Conduct will be adjusted based on the discussions during the meeting and comments to be delivered by the participants.	<i>a.s.a.p.</i>	Tapani Oksanen and John Bazill	The draft has been revised and is presented <u>in Appendix 3.</u>
7.4.	Compilation of in-country test results of the draft Code of Conduct	<i>within a few months</i>	ODI for compilation; DFID for funding; countries with testing results, for quality inputs.	
9	Send comments on the draft <i>FLEGT Issues Checklist</i> , any information on Logging and Forest Resource (to fill in the table on page 9 of the FLEGTdocument), and a clear vision on Governance and Trade to the EC,	before 20 November (to be taken into account for the Interservice Group Meeting, Brussels, 26/11/01)	ETFAG members	
9	Presentation of the issue to the Council, including first results.	Within a year	ETFAG members	
10	Prepare an adjusted proposal for the follow-up Workshop on Forestry and Poverty	Well before April 2002 (workshop date)	Finland	
10	Give feed back on proposal for follow-up Workshop on Forestry and Poverty by e-mail.	Well before April 2002 (workshop date)	interested ETFAG-members	
12	Current Secretariat ETFAG to be handed over to Germany (Ulrike Bickel, BMZ) for organization of the 12 th ETFAG meeting.	January 2002	<i>EC-LNV; BMZ</i>	

List of acronyms

AFD	- Agence Forestière du Développement
BMZ	- German Federal Ministry for Economic Co-operation and Development
CBD	- Convention on Biodiversity
CIRAD	- Centre de coopération internationale en recherche agronomique pour le développement
CoC	- Code of Conduct
CoP	- Conference of Parties (of the Convention on Biological Diversity, CBD)
CoP6	- 6 th Conference of Parties of the CBD (The Hague, 8-26 April 2002)
Council	- Council of the European Union
DFID	- Department for International Development (UK)
DG	- Directorate-Generals
DIDC	- Department for International Development Cooperation (formerly FINNIDA)
EA	- Europe-Aid
EC	- European Commission
ECLNV	- Expertisecentrum LNV
EDF	- European Development Fund
EGDI	- Expert Group on Development Issues
ESSD	- Environmentan and Socially Sustainable Development
ETFAG	- European Tropical Forest Advisers Group
ETFRN	- European Tropical Forest Research Network
EU	- European Union
FAO	- Food and Agriculture Organisation
FCCC	- UN Framework Convention on Climate Change
FFEM	- Fonds Français pour l'Environnement Mondial
FSC	- Forests Stewardship Council
GFAR	- Global Forum on Agricultural Research
GTZ	- Deutsche Gesellschaft für Technische Zusammenarbeit GmbH (German Agency for Technical Co-operation)
IFF	- Intergovernmental Forum on Forests
IPF	- Intergovernmental Panel on Forests
LNV	- Dutch Ministry of Lands, Nature Management and Fisheries
MS	- Member States (EC)
NRI	- Natural Resources Institute
ODI	- Overseas Development Institute
OECD	- Organisation for Economic Co-operation and Development
PROFOR	- Programme on Forests
PRSP	- Poverty Reduction Strategy Paper
SFM	- Sustainable Forest Management
SIDA	- Swedish International Development Agency
SUBSSTA	- Subsidiary Body for Scientific, Technical and Technological Advice (CBD)
TROPICS	- Tropical Forest Projects Information System
UK	- United Kingdom
UNDP	- United Nations Development Programme
UNFF	- United Nations Forum on Forests
WB	- World Bank
WCMC	- World Conservation Monitoring Centre

1 Welcome address

Rob van Brouwershaven,
Director of the National Reference Centre for Agriculture, Nature and Fisheries

The National Reference Centre for Agriculture, Nature and Fisheries (Expertisecentrum LNV) was recently created in the Netherlands with the aim to provide a starting point for integration between the field, information/knowledge centres and policy makers. Its functions include networking, information distribution and policy development.

Since last year the Centre has been leading the formulation of a Policy Programme on International Biodiversity (BBI), in a first effort to integrate all development-related ministries in policy formulation on the issue of biodiversity and environment.

Policy highlights include:

- ?? A Worldwide Ecological Network, as a continuation of the Pan-European Ecological Network (PEEN); the underlying concept of the network is a coherent and continuous system, built up by a combination of reserves, bufferzones and corridors. The concept has resulted in a more or less successful policy in the Netherlands.
- ?? Sustainable agriculture, both in the Netherlands and the tropics, including the concept of trade relations between the North and the South.
- ?? Forests and climate change: To generate political interest to reinforce the discussion on the synergy between both elements; Issues such as nfpnfps and forests as sinks play an important part in the discussion.

In this context, the forester's challenge is now to promote:

- ?? forests in the Worldwide Ecological Network;
- ?? the use of trees and forests in sustainable agriculture;
- ?? forests in the discourse under the Climate Convention.

2 Matters arising from the 10th ETFAG meeting

John Hudson, DFID

Information on the progress of some action points arising from the 10th ETFAG Meeting was presented at this point, while it was agreed that most points would be treated in the course of the meeting, according to the agenda. A summary is given in Table 1.

Table 1 Progress on the action points arising from the 10th ETFAG Meeting

Action	Proposed deadline	Responsible	Progress
DG DEVELOPMENT to update ETFAG members on the most appropriate routes and mechanisms for interacting with Council.	Ongoing	DG DEVELOPMENT	Information by EC during the meeting (7)
Development of the TROPICS database to be taken forward by Office of Official Publications of the European Communities (OPOCE), Luxembourg.	Ongoing	DG DEVELOPMENT / OPOCE	WCMC offered a website to include all UK's tropical forests information. Information by EC on their follow up during the meeting (7).
Preparation of a work plan, with deadlines and TOR, for addressing the Council resolution on forests to be out to tender.	Dec 2000	DG DEVELOPMENT	Information by EC during the meeting (7)
Final Strategy for the implementation of the	Nov 2001	DG DEVELOPMENT	Information by EC during the meeting (7)

Action	Proposed deadline	Responsible	Progress
Communication "Forests and Development" to be completed and submitted to Council.			
Circulation of the CoC for comment and 'field testing' within MS organisations, associated agencies and selected partners.	Ongoing	ETFAG Members MS Forestry Advisers	Information by MS during the meeting (4)
CoC to be presented to Council for discussion, if appropriate.	May 2001	DG DEVELOPMENT	Information by EC during the meeting (4)
Regular updates on GFAR activities to be circulated to ETFAG members.	Ongoing	CIRAD	Still ongoing activity by CIRAD
Current ETFAG secretariat to liaise with Kees van Dijk (LNV) and EC to establish meeting dates and venue for 11 th ETFAG.	Jan 2001	ETFAG Secretariat	Accomplished. 12 th meeting to be programmed during present meeting.

3 EC and EU-MS (forest) policy updates

3.1 European Commission (EC)

John Bazill

Forestry related Policy documents (EC Communications)

- ?? Tropical Forestry Regulation: was approved in November 2000, and is now up and running.
- ?? Biodiversity Action Plan: will probably be adopted in next weeks' Council. Parallel to the Action Plan, a Biodiversity Development Project with IUCN is underway to be implemented.
- ?? Fishery and Poverty: deals with development and commercial interests but also notes its relations to forestry.
- ?? Sustainable Development: a second communication from the Commission is due for next year, which will include the external dimension of sustainable development in the EU.
- ?? Climate Change Development: includes the role of trees in climate change, as a product of the discussion related to the Marrakech Meeting.
- ?? Forest Strategy: presentation is postponed to next year. The current, informal draft will be hand out and discussed later during this meeting.
- ?? EC Forest Guidelines: are being translated in French, German, Spanish and Portuguese; first volume is now available in Spanish.

Changes in EC Structures

Additional to the policy directorates general (DG Development for EC and ACP countries and Relex for other developing countries), Europe-Aid (EA) was created in January 2001 as a planning unit in which the whole project cycle is unified. It has horizontal, geographical divisions which are subdivided in units and sectors. Administration and Budget Lines related to EA are dealt with in other DGs.

EA allows a more coherent way of working and a better ownership of the projects. However, due to its structure, it has now become more complicated to deal with cross-cutting issues and budget lines. Initially, a growth of EA was foreseen, but a phased decentralization of the entire project management cycle to the regional delegations will take place to be completed in 2004. The decentralization process requires an important change of spirit within the Commission. The concern is that delegations are likely to have

less posts available for environmental expertise than is now provided at the central level. The role of EA in the future will be more of an interface between developing countries and MS by providing expertise in the whole project cycle to its partners and through the delegations.

At this moment, DG Development has a serious lack of human resources and its future role is under discussion.

The new structure is now under review and information on its functioning will be available for the next ETFAG-meeting.

Resources

Resource allocation to forestry is not very promising, with only one person left in DG DEV and a gradually declining budget line for tropical forests (from 50 million Euro in 1999 to 30 million Euro in 2001). DFID will support an additional environmentalist. Additionally, the two budget lines for Environment and Forests have now merged, although they are still directed by two different regulations.

Programming exercises

After the signing of the new agreement with ACP countries in Cotonou last year, preparation of national programs was done for a total of 10 million Euro. As for non-ACP countries, an important effort was made this year to replace isolated projects by a framework for country strategies similar to that for ACP countries.

EDF at its 9th meeting limited its areas of concentration to 44 countries. Concern was expressed about the fact that road development received major attention whereas the budget for agriculture development is decreasing and environment has one of the smallest budget lines.

To conclude, the following subjects were identified for further discussion:

- ?? The gradual erosion of forest and environment budgets;
- ?? Lack of success in mainstreaming forestry in country strategy papers;
- ?? The decrease of expertise on forests and environment within EC;
- ?? The need to improve information and communication on EC projects and regulations between DGs among themselves; between 'Brussels' and delegations; between EC and MS; between EC and multilateral institutions) and the need to establish formal focal points for information.

3.2 Sweden

Goran Björkdahl, SIDA

SIDA's support for forestry is currently being reduced considerably, both in financial and human resources. This is partly because forestry is taken into account within other budget lines; however, there are still some forestry projects in SE-Asia. Sweden has started a reflection on their future forestry strategies, based on the lessons learnt (starting small scale with gradual expansion of activities, dealing with fundamental causes instead of symptoms).

SIDA, in co-ordination with DFID, the University of Sussex and local partners are collaborating in a more effective 'real-time learning process' of forestry experiences, which is a political process for change with all stakeholders involved.

It is not yet clear whether the mainstreaming of forestry in rural development has been successful.

3.3 France

Patrick Falcone, Ministry of Foreign Affairs

Due to the reorganization of the Ministry of Foreign Affairs - including International Co-operation - in 1998, no important updating of policy has occurred lately. Apart from institutional support by the Ministry, three other institutions are involved in the implementation of France's forests and environmental policy: Agence Forestière du Développement (AFD), Fond Français pour l'Environnement Mondial (FFEM) and CIRAD (research).

Key policy issues during last year include:

- Evaluation of forest policy and actions during the last 10 years; document will be available before next ETFAG-meeting
- Formulation of sustainable forest management plans in Gabon (FFEM)
- Development of a Programme on Forest Research and Distribution of Technical Information, covering the chain from management to transformation; implementation to be launched next year
- Support to actions of the African Commission on Certification, resulting in important improvements of the principles and criteria for forest management as well as the institutional aspects of Pan-African Wood Certification.

Intervention is concentrated in the 'Zone de Solidarité Principale', which includes most former French territory in Africa and Asia, as well as Cuba. There has been an important decrease in human resources for technical assistance (especially from the programme for substitution assistants); a decline in financial resources, if any, is not visible, due to the fact that inputs for the forest sector never have been treated separately in the overall development budget.

3.4 Germany

Ulrike Bickel, Federal Ministry for Economic Co-operation and Development (BMZ)

Current trends in BMZ policy on forests and environment are the following:

- ?? The discussion on Forest Sector Concepts and Safeguards for Implementation is in an advanced stage. Now the challenge is mainstreaming of the participation of other sectors in this discussion.
- ?? Support to the EU Code of conduct, the FAO nfp Facility and PROFOR was promised.
- ?? A voluntary report has been submitted to UNFF2.
- ?? The CBD Work Programme on Forest Biodiversity has been defined.
- ?? FCCC: The importance of forests as carbon sinks has been recognized.
- ?? Progress has been made on the National Forest Plan for Germany, including decentralization of the Ministry of Agriculture.
 - The study on trade and sustainable forest management (touching on the problem of illegal logging) is almost finished.
 - WSSD: investigation on innovative financing mechanisms (debt relief for conservation, partnerships with private enterprises); for further information see www.ecologic.de.
 - A National Summit on Forests - a private initiative - was held, resulting in the 10% Protected Area Agreement, whereby FSC standards were recognized as appropriate for all types and sites of forests in public and private property.

BMZ does not experience any decrease in financial resources for forestry; on the contrary, since the intervention coverage for development aid has been decreased from 117 to 70 countries, problems are encountered in appropriately allocating the available budget (DM 250 Million).

3.5 Finland

Marku Aho and Tomi Tuomassjuka, Ministry of Foreign Affairs

The review of the forest co-operation policy, as mentioned in last year's ETFAG-meeting, has not been continued. The focus was changed to implementation based on a country-by-country review. Although overall resources for development aid have been reduced, the budget for forests remains constant. Development aid is now focused on a programmatic approach in 11 long-term partner countries (with focus on 2-3 sectors each), seven of which include forestry interventions (Egypt, Ethiopia, Kenya, Namibia, Zambia, Tanzania, Vietnam, Nicaragua, Nepal and others). Technical expertise in the embassies is increasing.

Forestry implementation is now focused on local environmental funding through international collaboration (nfp Implementation Facility, PROFOR) and on support to country forest sector planning (a MoA in Vietnam is about to be signed, a TFP is being worked out in Mozambique and Tanzania).

Finland is interested to play a more proactive role at the international level. In this context it is organizing an international workshop to be held next year, building on the FAO Forests and Poverty Seminar; for more details see point 10 of the agenda.

3.6 United Kingdom

John Hudson and Andy Roby, DFID

Many of the trends mentioned during last year's ETFAG-meeting are still valid: poverty alleviation; reduction of transaction cost and therefore of the number of countries; the focus on governance, conflict and trade.

Perspectives of the forests functions are: to help alleviate poverty and maintain services from the local to international level. Implementation is directed towards these perspectives: at the country level, support to community forestry, institution building, promote regulation of the private sector, combat illegal logging/trade (relating policy, market failures and lack of knowledge and capacity); at the international level, piloting market promotion and understanding of the mechanisms for carbon sequestration for sustained development.

The UK has never kept a separate budget for forests, but negotiation has led to a stable 2% of the bilateral co-operation resources, which is considered appropriate. The decentralization process of several years ago has led to an increased expertise on forests and environment in country and regional programs; this situation is now stable and balanced between generalists and specialists.

Results of mainstreaming differ greatly, depending on UK's own efforts and the political interests of the partner countries. Indonesia and Cameroun are good examples. The process of the development of the Forestry Country Strategy Paper for Cameroun was presented and distributed among the participants.

3.7 Netherlands

Peter Schütz, LNV/Marion van Schaik, Ministry of Foreign Affairs (DGIS)

A national policy document has been produced in which an overall concept of nature has been developed, including forests and landscapes ('Nature for People, People for Nature', distributed to the participants). DGIS had already produced 4 policy papers on the theme. Focus is on system coherence (corridors etc), mainstreaming, sectoral approach, international policy as a tool for bilateral negotiation and collaboration between countries. A closer link has been reached between national and international policy, through a learning process, mostly from tropical experiences.

The political commitment to forests is high (appr. US\$ 60 million/yr), with a fixed target for tropical rainforests of appr. US\$ 20 million/yr. Environmental interventions (including forests) are currently limited to 17 countries, 11 of which are core countries for environmental aspects whereas in the other 6 countries interventions are embedded in a comprehensive bilateral co-operation programme; a sectorwide approach is now being developed and relatively advanced in Nepal, Vietnam and Mozambique.

A decentralization process has been going on for several years and has led to important expertise on forests and environment at the country/regional level and a better synergy with headquarters; this made it possible to work effectively on environmental and cross-sectoral issues in planning exercises (nfp etc.). However, it is a matter of concern that the lack of a structural human resource policy may lead to loss of knowledge. A learning process was recently started at different levels: within DGIS as well as at the national and regional level (partner and donor countries). A regional workshop on the subject is now being organized in Ecuador (January 2002), in collaboration with GTZ.

At the international level, focus is on policy support, building on environment/ biodiversity plans, institutional development, research (Tropenbos), and education. At the bilateral level, financing takes place through basket funding and projects based on local choices of partner governments. At the international level, financing is provided through support to multilateral organizations (mostly core financing) and, in non-core countries, through small grant funds for NGOs.

4 NFP experiences and code of conduct

Tapani Oksanen (INDUFOR), John Hudson (DFID), Ulrike Bickel (BMZ), Bernd Liss (PROFOR), Tomi Tuomassjuka (Finland), John Bazill (EC)

Presentations are a follow up of the 10th ETFAG-meeting and refer to two of the action points:

- 1) field testing of the Code of Conduct (CoC) by three volunteer countries: UK, Finland and Germany;
- 2) Presentation of the CoC to the EC Council (if appropriate).

Germany made a review of the CoC in headquarters. It was tested in the nfp process in Vietnam (collaborative partnership with 20 donors involved). UK tested the document in bilateral negotiations with Indonesia, Cameroun, and Uganda; France used the CoC in Gabon; Finland used it in projects in Tanzania and Vietnam; and the Netherlands applied it in Senegal.

The different presentations on review and testing at the field level by MS and their partners reflect the general opinion that the CoC is a very useful document. It should not be considered a blueprint, but an inspirational document, of use at the strategical and political level, to negotiate agreements, to careful handling of problems, to increase efficiency in a programmatic approach, for project or programme assessment, for project formulation, and in swap processes. It is considered important to maintain the high quality standards in the document as a source of inspiration in order to arrive at specific agreements in each case.

In the discussions it was argued that the document is still too much government oriented, which may reduce the possibilities for effective involvement of all stakeholders. It was felt that the status of the document should be clarified and communication on it improved in order to make it more profitable for all stakeholders. Although some instruments have been tested (list of principles/criteria, matrixes, discussions) a further review and testing was considered necessary.

So far, the CoC has not been presented to the Council. Most EC policy makers were enthusiastic about the draft, whereas program managers showed more scepticism on its usefulness.

Participants made several suggestions for next steps on the subject, such as: have the CoC attached to the Forest Strategy paper; ensure an initiative by the Commission for workshops on the subject; and elaborate an academic document on the lessons learnt. See 7.4 for continuation of the discussion in connection with the Forest Strategy.

More information on the Vietnam Partnership/FSSP process, including the full text of the MoA and the Forest Principles are available through Mr. Liss.

5 PROFOR and the NFP implementing facility

5.1 NFP Implementation Facility

Michael Martin, FAO

The general feeling of the participants is that the NFP Implementing Facility, as a collaborative partnership ('network of networks of colleagues') should have two main functions: At the global level, information sharing, and at the country level (60 countries), facilitation of the nfp process in a tailor-made way, assuring the involvement of different stakeholders, reinforcing the national knowledge capacity and making available existing information.

It was recognised that many partners will not immediately see the benefits of this approach and therefore of the added value of the Facility. General concern was expressed on the operationalization of the process. It was mentioned that other information providers, such as ODI and EFRN have important expertise on the subject and connection with these organizations would be essential.

The next steps to launch the Facility would include: elaboration of TOR for the formation of the Technical Steering Committee, who would decide on a programme of work and define the Manager of the Facility. Five of the MS are ready to support the initiative financially, while France still has to decide. FAO will host the Facility and participate as a sponsor. A workshop is due for January 2002, which will define the strategy and operational details for the information platform. It is suggested to have a formal launching of the Facility in February 2002.

Action point

Workshop on strategy and operational details for the NFP Implementing Facility in January 2002 and formal launching of the Facility in February 2002

5.2 PROFOR

Christian Mersmann, UNDP

The Programme Document of PROFOR II (2002-2006) was presented (available through Christian Mersmann/UNDP or at the website www.undp.org/seed/forest/pages/), including its mandate, objectives, the programme approach, the information services, the institutional setting and financing issues.

Participants emphasized the need for close collaboration with the Facility in order to increase the country cover of the approach (only 15-25 countries are foreseen under PROFOR).

PROFOR will be hosted by the Forests Team of the Environmental and Socially Sustainable Development (ESSD) group of WB, in a collaborative arrangement. The Worldbank's acceptance to host and being a partner in PROFOR reflects the interest to integrate forests in its overall strategy and inverse the tendency of decrease in forest financing. PROFOR will be semi-independent, but it will be governed by a management board with permanent and rotating members; the mechanism has not yet been decided upon. Besides the core PROFOR team, WB has allocated 20% staff time to PROFOR for each of the WB regions. The forests/environmental specialists under this arrangement would be responsible for the country processes.

The preparations towards PROFOR II include:

- ?? Termination of PROFOR I by December 31 2001.
- ?? A recent decision taken by WB to host PROFOR starting 1 January 2001.
- ?? Set-up of the Trust Fund by 31 December; commitments by UK, Finland (January) and WB. Other interested partners include: Norway, Sweden, Denmark, Switzerland, WRI, the strategically important USAID Forestry Department and probably Japan. Canada is not interested. Negotiations with EC are still meeting difficulties because of administrative

and financial procedures. It was suggested to negotiate EC support from next year's budget, since the Facility has already submitted a request for this year's budget.

Participants expressed their worry about PROFOR's administrative difficulties during the transition period from UNDP to WB. A matter of great concern is the fact that the WB Policy and Strategy Review has lasted much longer than expected and that a clear position would probably not be available before February-March. It would be difficult to motivate Government authorities to support PROFOR without an overall WB strategical framework and clearly outlined procedures for financing and implementing PROFOR.

6 The 6TH conference of parties (COP6) of the convention on biodiversity

Ton van der Zon, Dutch Ministry of Foreign Affairs

Assessment

On the one hand, many of the causes of forest destruction are outside the forestry sector, and on the other hand, it is economically still not interesting to manage forests in a sustainable way. Although a lot of international fora and organizations work on the subject, results are insufficient and there is hardly an appropriate action plan. Despite of the need for co-ordination between forestry and biodiversity sectors, UNFF and CBD don't support each other and there is a clear polarisation between economics and environment, both at the international and national level.

Principles

The Netherlands took the initiative to elaborate draft 'Process Principles', as a way to facilitate the discussion and arrive at the adoption of a common basis and approach by both UNFF and CBD fora, with one joint working programme but a clear division of tasks. Key issues of the Principles are transfer of technology, financial mechanisms and the socio-economic part of the Process. The paper was discussed during UNFF1, resulting in a generally positive attitude of the developing countries towards the Principles. During last week's Meeting of the Co-ordination Committee most EU member States showed interest to support the initiative. Both UNFF and CBD say they are willing to co-operate with the initiative.

A sharing initiative has been taken with Ghana, to organize a workshop in Accra next January, to which the mayor players of UNFF and CBD will be invited (25 participants). The Principles will be introduced by the Ministry of LNV in the Costa Rica Meeting in March and afterwards in the CoP6 in the Netherlands.

CBD Working Programme:

The ongoing working programme is oriented towards research and assessments, but with little results. At the CoP5 in Nairobi it was decided that a more action oriented programme had to be developed and an advisory body was invited to prepare a draft version for CoP6. Although this working group made a draft proposal last year, the Secretariat of SBSTTA developed at the same time a more traditional draft working programme, which should be presented to CoP6 on the loss of forest biodiversity and underlying causes. The concept of loss of biodiversity is very much limited to protected areas, and does not include agrobiodiversity and agroforestry; there is no attention for sustainable forest management, networking, socio-economic components in forests. The underlying causes such as marketing, integrating economic and social factors of forests valuation are the main issues. UNFF has already done a lot of work on it, but a division of tasks between UNFF and CDB is necessary to be more effective in the implementation of this line.

The working group accepted the challenge to improve the document on the basis of the Secretariat's draft, in order to arrive at a good and realistic working programme at CoP6.

The discussion centred on three points:

- *Workshop on Principles:*
The initiative for the Ghana Workshop was positively received by participants
- *Working Programme:*
Complications were foreseen for a joint working programme, but the need was

recognized for an operational 'umbrella' programme, with a clear division of tasks on cross-cutting issues and in relation to national or international level issues; SUBSSTA would be the mechanism for it. UNFF Principles should also be used in implementation of CBD, Climate Agreement etc. Details would have to be discussed in Ghana, where practical ways of collaboration would have to be found.

- **Financial Management Mechanism:**
Concern was expressed regarding the introduction of new financial mechanisms for CBD, while a number of mechanisms exist for forests related issues (GEF, nfp, small grant funds, private initiatives). As much as possible existing mechanisms should be used, taking care for the governance of the available resources. In addition, nfps should be integrated as much as possible with the wider Poverty Reduction Strategy Papers (PRSPs).

7 Follow-up on EU expert group and the council resolution on forests and development and EU strategy

John Bazill

A general outline of the follow up of the Council Resolution was presented:

- EC and MS share responsibilities, work programmes, co-ordination with international partners;
- EU Strategy, taking into account geographical and regional characteristics;
- Review policies for CSD8 (UNFF);
- Monitor, evaluate and report annually.

7.1 Tropics

Kate Schreckenber, ODI

Apart from the production of a bilingual CD-rom (English-French), little progress has been made on TROPICS. No updating has occurred since 1999; there were legal problems on hosting the information; no decisions were taken on the system to be used; no negotiation between EC and European Environmental Agency (EEA) has taken place in relation to databases; and no funding and human resources were available.

So far ODI is the only institution that is hosting TROPICS at their website; the system is functional and has a big number of hits; however, if no updating could be guaranteed the hosting would have to be interrupted.

In the discussion it was suggested that a connection could be made with the Biodiversity Clearing House Mechanism (CHM); the system is already used by most MS while DG Environment is working on a European CHM. Other suggestions to EC were made as follows: in the short run update the existing system, include the issue in the strategy paper and take the necessary steps to find the most appropriate host for the long term.

This topic is another reason for ETFAG members to work at government level in order to assure that forests are placed higher on the EC agenda.

7.2 EU Forests Strategy Paper

The last version of the draft paper was distributed at the meeting and a short presentation of its contents was made by John Bazill. Some sections still have to be developed. Presentation to the Council is foreseen in March.

A general comment on the document is that the relation between forests and biodiversity is hardly visible as a cross-cutting issue; this will need more emphasis. It was agreed that all participants would send in their comments within three weeks and volunteers were invited to give John a help in the final redaction.

Action point:

ETFAG members to send in comments on the Forests Strategy Paper within three weeks before November 27.

7.3 Implementation of the IPF/IFF Proposals for Action

Christian Mersmann, UNDP

A FAO/UNDP draft paper (“Implementation of the IPF/IFF Proposals for Action: Fostering national-level assessments and identification of action”) was handed out for internal discussion by CPF members, which is meant as an effort to translate the IPF/IFF Proposals into practical action, by supporting countries in their assessments and identification of action. Participants showed their doubts on the relevance of the Proposals for EC policy areas and how they could be implemented in each policy field.

7.4 Code of Conduct

Discussion (see Section 4) continued, following the presentation of the testing results earlier in the agenda. It was decided that the CoC would remain an informal document until further review; it would not be annexed to the Strategy Paper for the moment, but a reference would be made in the descriptive text. The test results would be compiled.

The following additional suggestions for improvement of the CoC were made: to integrate trading issues; to include some qualities of nfp's that are not reflected now; to reduce the government-centeredness of the document; not to include ideas that are already expressed in other papers; and to maintain the inspirational character of the document.

Action Points:

- *The existing draft will be adjusted based on the discussions during the meeting and comments to be delivered by the participants.*
- *Action by: Tapani Oksanen and John Bazill*
- *Note from the Secretariat: The draft has been revised and is presented in Appendix 3.*
- *A compilation of the test results of the CoC will be made within a few months.*
Responsible: ODI, for compilation; DFID, for funding; countries with testing results, for quality inputs.

8 Update on ETRFN

Willemine Brinkman, Coordinator ETRFN

A general outline was presented on the European Tropical Forest Research Network (ETFRN), its objectives and activities (workshops, Newsletter, web of website, research exchange and information market, direct mailings on requests, publications, web discussions etc.), with special emphasis on and formal launching of the information service through the website www.etfrn.org/etfrn. The information on the site is organized by topic pages, including ETRFN information and links to other pages with databases on the same topic; searches may be made through links to other pages.

Participants welcomed the initiative and the progress made with modest core-funding and innovative ways of improving accessibility of information.

9 Asia illegal logging conference (FLEGT)

John Hudson, DFID; Richard Arndell, EC

The first speaker reported about the Forest Law Enforcement and Governance (FLEG) East Asia Ministerial Conference, held in Indonesia in September, as a follow up of an earlier meeting (reported 10th EFAG). Participation included high level country delegations from most Asian countries (except Malaysia), some industrial countries (Japan, UK, USA; including private sector) and many NGOs. Results far exceeded expectations and important action points were included in a Ministerial Declaration (distributed to the participants). It was felt that the preparatory work of the conference (with NGOs) and the fact that the issue received constant political attention were highly responsible for its success. It is now widely recognized that illegal logging is responsible for immense financial losses for the governments of producing countries, which is already influencing in-country negotiations

with IMF/Worldbank. Important papers on the issue, as well as information on the Conference, can be found at www.worldbank.org

Follow-up action with continued support of USA and UK includes the following:

- a task force is being formed between Asian countries, with the support of some EC members. Activities include reporting and meetings with the Inter Service Group; participation of some MS is still sought.
- a similar Conference and follow-up is foreseen in Africa (Congo); a preliminary Conference is due for March 2002, followed by a Ministerial Conference in May-June.

A document "*Forest Law Enforcement, Governance and Trade (FLEGT): Issues Checklist*" is in preparation and will serve as a background for the discussion. An informal 1st draft was presented and handed out to the participants.

Discussion centred on the interest of the topic, the progress made last year due to increased sensibility of important stakeholders (producing and consuming countries, private sector - especially from USA and Japan -, IMF/Worldbank) and the importance to get to a common understanding because of the cross-sectoral nature of the issue (customs, procurement, internal market rules) and the opportunity to give a solution to the illegal logging problem with shared responsibility between producers and consumers.

It was mentioned that Germany was interested to be involved in the African Conference, and that also the French private sector (organized in IFIAT) was interested in participating in Brazzaville; preparatory work will be done with IFIAT. It was suggested to try and link the trade issue with GATT/WTO.

Action Points:

- *ETFAG members are requested to send comments on the draft document, any information on Logging and Forest Resource (to fill in the table on page 9 of the document), and a clear vision on Governance and Trade to the EC before 20 November, to be taken into account for the Interservice Group Meeting in Brussels on 26/11/01.*
- *Presentation of the issue to the Council in a year from now, including first results.*

10 Forests and poverty alleviation

Tomi Tuomasjukka, Ministry of Foreign Affairs, Finland

The speaker discussed the relevance of forestry for poverty reduction and reported on a recent FAO/DFID workshop on the theme (Tuscane, September 2001). Finland proposes to support a follow up to this workshop and to the policy brief elaborated as a product of the Workshop. This brief, "How forests can reduce poverty", was distributed to the participants.

This follow up would be in the form of a workshop on the "how" in april-may 2002, after UNFF2. The modality would be keynotes and groupwork, with an equal number of participants from developing countries and forestry donors. The initial ideas on contents include: the PRSP issue, the macroeconomic angle of thinking and the poverty issue. The output of the workshop would be a Practitioners Guide (with an FAO/IIED).

The meeting welcomed the idea of the workshop and in a short brainstorming session, the following comments and suggestions for the operationalization were made: Is crisis the best way, or are other ways better to promote the forest sector? Forestry should not be regarded as an environmental issue but as a development issue. Interactions between forestry, local governance and institution building could be an entry point. There should be a strong co-ordination between the workshop and a similar UK initiative which will be field-tested by March-April next year. The workshop should not only aim at producing a Practitioners Guide, but be of a more conceptual nature instead. A pre-workshop could be held to enhance ownership among the participants. The location of the workshop could be Finland or rather another place that would be representative for the issues.

Action point:

- Finland prepares an adjusted proposal for the follow-up Workshop on Forestry and Poverty, to which interested ETFAG-members will give their feedback by e-mail.

11 World Bank Forests Strategy

John Hudson, DFID

The WB Forests Strategy has been under review for 2,5 yrs now. The consultation process will terminate in December and the approval will probably take place in the Board Meeting in March. All information is to be found on the website www.worldbank.org. The discussion centred on the difficulties to finalize the process and put the strategy into practice through the Operation Manual.

12 Other business

It was suggested that Germany host the 12th ETFAG Meeting, which was generously accepted by the German delegation.

Action Point:

- Current Secretariat ETFAG to be handed over to Germany (Ulrike Bickel, BMZ) for organization of the 12th ETFAG meeting.

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Annex 2 Documents distributed at the meeting

The documents distributed at the meeting are listed according to the corresponding issues in the agenda. Copies are available through the ETFAG Secretariat.

1. **Welcome address**

Ministry of Agriculture, Nature Management and Fisheries, The Netherlands, July 2000.
Nature for People, People for Nature. Policy document for nature, forest and landscape in the 21st century

3.6 **EU and MS policy updates: United Kingdom**

Cameroun Country Strategy Paper, draft 16: 20th September 2001

4. **NFP experiences and Code of Conduct**

Vietnam Forest Sector Support Program & Partnership: The Process

Vietnam Memorandum of Agreement Forest Sector Support Program and Partnership

7.2 **Forest Strategy Paper**

Strategy on Forest Development Co-operation (draft)

7.3 **Implementation of the IPF/IFF proposals for action**

Implementation of the IPF/IFF Proposals for Action: Fostering National-Level Assessments and Identification of Action. FAO/UNDP proposal: for internal discussion by CPF member organizations; not for further circulation, 02 October 2001

9. **Asia illegal logging conference (FLEG)**

Forest Law Enforcement and Governance East Asia Ministerial Conference, Bali Indonesia 11 - 13 September 2001.

Forest Law Enforcement, Governance and Trade (FLEGT): Issues Checklist

10. **Forests and poverty alleviation**

How forests can reduce poverty

Annex 3 Code of conduct

November 2001

The European Commission (EC) and the EU Member States commit to the following principles in their forest sector development cooperation with partner countries, on the understanding that the principles will be flexibly applied, taking into account the realities of each country situation. The Code of Conduct should be understood as an aspirational rather than strictly normative document. Ideally it should serve as a basis for dialogue on improving the effectiveness of forest sector development co-operation with partner countries, as well as within the Commission and EU Member State development co-operation institutions.

1. The importance of **ownership by partner countries of joint development efforts** in the forest sector is emphasised. Where credible national forest programmesⁱ exist, forest sector programmes and projects financed by the EC and the EU Member States will be embedded in and be fully compatible with them. The term national forest programmes is understood as a generic term for a process towards a comprehensive forest policy framework and programme for the achievement of sustainable forest management, integrated into wider programmes for sustainable land-use. The IPF/IFF conclusions and recommendations on national forest programmes, as well as the further deliberations of the UNFF, will be used to assess whether or not a specific country has a credible forest programme.
2. Sound **national policies** and the **institutional and management capacity for their implementation** are preconditions for aid effectiveness. The EC and the EU Member States will support countries to build the capacity to put these enabling conditions in place. In cases where the partner government is not committed to developing national policies and institutional structures in line with the internationally agreed principles, support to forest sector development will be focused towards promoting information generation, consultation, and advocacy for policy reform within civil society, including generating pilot-scale field-level experiences.
3. **Sector wide approaches** are increasingly used to improve the effectiveness and efficiency of aid. The EC and the EU Member States support and promote the efforts of partner countries to establish this type of approach to channel support to national forest programme and policy implementation. Sector wide approaches are viewed as processes which ultimately aim at achieving the following characteristics: (i) significant funding supports a single national sector policy and expenditure programme, (ii) the partner government leads and owns the process and implementation, (iii) common procedures are adopted across the sector by government and donors, and (iv) government procedures are used to disburse and account for all funds. It is, however, recognised that a fully-fledged sector approach requires a high level of macroeconomic and budget management, accountability and transparency from the government. Until such capacity exists, sector support may need to be channelled through (i) earmarked funding within a sector programme, or (ii) project type support within the national forest programme. Furthermore, even within a fully developed sectoral programme there may remain certain types of activity that may not be appropriate for financing through government budgets.
4. It is recognised that **civil society and the private sector have an important and increasing role in the implementation of forest related development activities**, both as regards productive forestry and forest conservation. Traditional sector support programmes, e.g. those used in health and education, are designed mainly for improving the service delivery capacity of government institutions at various levels. In the case of the forest sector many of the key actors for "delivery" of sustainable forest management are non-governmental. Therefore an important element of sector wide approaches for the forest sector will be the establishment of national financing mechanisms and instrumentsⁱⁱ aimed at fostering civil society and private sector participation in forest development and conservation. As such mechanisms and

5. Instruments are developed, in the context of nfp processes, and demonstrate their effectiveness and accountability, individual project type support of the EC and the Member States to non-government actors will largely be replaced by support channelled through such national financing mechanisms and instruments.
6. **Effective co-ordination of and information sharing between all development interventions are vital to ensure the maximum sectoral impact of aid.** The EC and the EU Member States actively promote and support the concept of national co-ordination of all interventions in the context of national forest programmes, and the strengthening of national networks for information sharing. The primary aim of both co-ordination and information sharing will be to increase the effectiveness of development interventions and improve intersectoral collaboration. In general the partner country should take the lead for such co-ordination and information sharing - only in cases where it is specifically requested by the partner government is the concept of donor-led co-ordination and information dissemination (e.g. *chef de file*) supported. Co-ordination can also be extended to such areas as joint evaluations of projects and programmes as well as common monitoring and reporting formats. Beyond co-ordination of development assistance, both EU donors and partner countries should seek to ensure co-ordination and coherence of policies within and outside the forest sector.
7. Certain **practical measures will be taken to increase the efficiency, effectiveness and sustainability of forest sector support** regardless of which modality of support (project or programme) is used for delivering aid. The EC and the EU Member States will actively promote that: (i) development interventions are based on the initiative of the partner government and/or civil society stakeholders, so that the partner institutions (including both governmental and non-governmental partners) have the lead role in the planning of all development interventions, (ii) uniform standards and norms are agreed for remuneration and allowances of local personnel and “buying out” of government employees for projects is avoided. In addition, particularly where sector wide approaches are implemented (iii) government planning and budgeting cycles are used as the basis for aid programming, (iv) joint monitoring, reporting and auditing systems for all donor supported interventions are developed and used, (v) joint evaluations of projects and programmes are carried out, with focus on their sectoral impacts, and (vii) the establishment of project-specific structures is avoided.
8. **To ensure that technical assistance contracted to support forest sector projects and programmes produces the highest value for the partner countries,** the EC and the Member States will ensure that: (i) the contracting of technical assistance personnel is driven by the needs and priorities of the partner institutions and takes into account their absorption capacity, (ii) the primary function of technical assistance personnel is to build the capacity of the staff of the partner institutions in their respective fields, and to fill essential gaps, (iii) the partner institutions are fully involved in the drafting of ToRs and in the selection of technical assistance personnel, (iv) technical assistance personnel are accountable to partner country institutions and their ToRs should not restrict them to a single donor project or intervention but enable them to contribute to the broader needs of the partner country, (v) the increasing use of qualified local and regional technical assistance personnel is encouraged, and (vi) expatriate technical assistance personnel from the donor countries is used in a way that is complementary to existing local and regional expertise, and contributes to the further development of such expertise.
9. For transparency and effective implementation **the above principles need to be communicated to and discussed with partner governments.** On the basis of this Code of Conduct, the EC and the EU Member States may agree country-specific partnership arrangements for forest sector development co-operation. An incremental approach is suggested, building on existing achievements, taking realistic stock of weaknesses and the need for change among all partners, identifying viable objectives and milestones for their achievement, and maintaining a climate of transparency, openness and accountability in these negotiations.

Finally, it is recognised that the full implementation of the principles defined in the Code of Conduct will require changes in many EC and Member State agencies responsible for forest sector development co-operation, and may take some time. To make these changes happen, the EC and the EU Member States will work towards: (i) identifying and removing institutional or management related barriers which prevent or hinder them from the full application of the above principles in their forest sector development co-operation, (ii) strengthening and decentralising

their professional human resources in a way that enables them to effectively participate in country-level dialogue on national forest programmes and related sector wide approaches, (iii) more predictable long-term commitments, in order to enable partner countries to improve the sustainability of their sectoral strategies for forest development and conservation, and (iv) monitoring progress in this change process, both in the partner countries and within EU development agencies.

ⁱ The IPF (Intergovernmental Panel on Forests) and the IFF (Intergovernmental Forum on Forests) have agreed on the concept of national forest programmes (nfps) as a viable framework for addressing forest sector issues in a holistic, comprehensive and multisectoral manner in the context of wider strategies and programmes for sustainable development. Nfpps are understood as a generic expression for a wide range of policy and planning approaches leading towards sustainable forest management and conservation, applicable at national and sub-national levels. The IPF/IFF defined *inter alia* the following principles for nfpps: (i) national sovereignty and country leadership, (ii) consistency with the constitutional and legal frameworks of each country as well as with international commitments, (iii) partnership and participation of all interested parties in the process (with special regard for indigenous people and local communities), (v) promoting secure land tenure arrangements, and (v) being based on ecosystems approaches that integrate the conservation of biodiversity with its sustainable use. Nfpps are seen as a continuous cycle of planning, implementation and monitoring. The UNFF (United Nations Forum on Forests) has a mandate to monitor the development and implementation of nfpps.

ⁱⁱ The concept of national financing mechanisms and instruments is understood to include both mechanisms and instruments set up by the public sector in a given country to promote and facilitate the participation of the private sector in sustainable forest management and conservation (e.g. government incentives for reforestation or forest management etc.), as well as mechanisms and instruments which are set up by the private sector and/or civil society directly (e.g. conservation funds, foundations to promote NGO activities etc.) or even combinations of these approaches. They also include a variety of mechanisms and instruments aimed at internalising the environmental values of forests (e.g. carbon sequestration, protection of watersheds etc.). Although the term “national financing mechanisms and instruments” is used, it is understood that they may include mechanisms and instruments set up at the national, state, region or local-level. The term national is used to clarify that they are not donor-specific but country-owned.