

Evaluation

Forestry Sector: Preliminary Study



Evaluation report 2010:5/III

MINISTRY FOR FOREIGN AFFAIRS OF FINLAND

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Anna Ruotsalainen

Evaluation report 2010:5/III

MINISTRY FOR FOREIGN AFFAIRS OF FINLAND

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CONTENTS

PREFACE	ix
ACRONYMS PART I	xi
ABSTRACT	
Metsäsektori Suomen Kehitysyhteistyössä – Esiselvitys	1
Finnish	1
Swedish	2
English	3
SUMMARY	
Finnish	4
Swedish	6
English	8
PART I: FORESTS IN THE INTERNATIONAL AGENDA	10
1 STATE OF FORESTS	10
2 CHRONICLE OF THE GLOBAL FORESTRY AGENDA	11
3 KEY ACTORS IN THE GLOBAL FORESTRY AGENDA	13
3.1 United Nations Conventions	13
3.2 United Nations Commission on Sustainable Development (CSD)	15
3.3 United Nations Forum on Forests (UNFF)	15
3.4 European Union (EU)	17
3.4.1 EU and Africa	18
3.4.2 EU and Asia	18
3.4.3 EU and Latin America	18
3.5 Food and Agriculture Organization of the United Nations (FAO)	19
3.6 Collaborative Partnership on Forests (CPF)	20
3.7 International Financing Institutions	21
3.7.1 The World Bank	21
3.7.2 Regional Development Banks	23
3.8 Consultative Group on International Agricultural Research (CGIAR)	25
3.8.1 Center for International Forest Research (CIFOR)	25
3.8.2 World Agroforestry Center (ICRAF)	26
3.9 International Tropical Timber Organization (ITTO)	26
3.10 Global Environment Facility (GEF)	28
3.11 International Union for Conservation of Nature (IUCN)	28
3.12 World Wide Fund for Nature (WWF)	29
3.13 World Forestry Congress (WFC)	29
3.14 World Forest Day	31
4 CURRENT ISSUES IN THE GLOBAL FORESTRY AGENDA	32
4.1 Forest Governance	32
4.2 Forests and Climate Change	33
4.2.1 LULUCF and Afforestation and Reforestation (A/R)	38
4.2.2 REDD - mechanism	39
4.3 Deforestation and Forest Degradation	43

4.4	Sustainable Forest Management (SFM)	45
4.5	Forest Biodiversity	47
4.6	Bioenergy Production	49
4.7	Air Pollution and Ozone Depletion	50
4.8	Illegal Logging	52
4.9	Indigenous People	54
4.10	Small Island Development States (SIDS) and the Least Developed Countries Fund (LDCF)	56
REFERENCES PART I		58
PART II: SUPPORT OF FINLAND TO THE FORESTRY SECTOR		67
ACRONYMS PART II		67
5	DEVELOPMENT OF FINNISH FORESTRY SECTOR COOPERATION	70
5.1	Transition from the 1980s to 1990s	70
5.2	The New Millennium	71
5.3	Future	73
6	COUNTRY AND FORESTRY PROGRAMME REVIEW	78
6.1	Countries and regions studied: Vietnam, Lao PDR, Central and South America, Western Balkans, Mozambique, Zambia and Tanzania	78
6.2	Partner Countries not included in the Pre-Study: Ethiopia, Nepal, Kenya and Nicaragua	79
6.3	Viet Nam	79
6.3.1	Viet Nam - Finland Forestry Sector Co-operation Programme (VFFP), Phase II, 1999–2003	81
6.3.2	Forest Sector Support and Partnership Program (FSPP) and Forest Sector Development Strategy (FSDS) 2002–2005	82
6.3.3	Multi-Donor Trust Fund for Forests (MDTFF) 2004–2011	88
6.4	Lao People’s Democratic Republic	91
6.4.1	Pilot Forest Certification Project 2002–2003	93
6.4.2	Sustainable Forestry and Rural Development Project (SUFORD) 2003–2008, 2009–2012	94
6.5	Regional Programmes in Central and South America	98
6.5.1	Sustainable Development of Amazonian Forests	100
6.5.2	Central American Forestry Programme (PROCAFOR), Phase III, 1999–2003	102
6.6	Western Balkans	107
6.6.1	Support to Forestry Sector in Serbia 2004–2010	109
6.6.2	Forest Policy and Economics, Education and Research (FOPER I+II), 2004–2011	111
6.6.3	Environmental GIS for Montenegro Phase I 2005–2007	113
6.7	Mozambique	115
6.7.1	Agricultural Sector Investment Program (PROAGRI), 2005–2010	118

6.7.2	Sustained Forest Resource Management Project in Zambézia and Inhambane/Forest Inventory, 1999–2005	119
6.8	Zambia	122
6.8.1	National Integrated Land Use Assessment (ILUA I+II), 2005–2008 and 2010–2013.	124
6.8.2	Provincial Forestry Action Programme (PFAP II), 2000–2009 .	127
6.9	Tanzania	131
6.9.1	Support to the National Forest Programme: NFP – Coordination Unit Support Project (NFP CUSP) 2003–2006, and NFP – Implementation Support Project (NFP ISP) 2004–2007.	136
REFERENCES PART II		144
ANNEX 1 Summary Table of Trends in Global Development Cooperation and Forestry Agenda ¹⁾		
ANNEX 2 Summary Table of Trends in Finnish Development Cooperation ¹⁾		
ANNEX 3 DOCUMENTS CONSULTED ¹⁾		

¹⁾ Annexes 1–3 are non-edited and contained in the attached CD

TABLES

Table 1	Finnish bilateral cooperation in forestry sector from 2009 onwards. .	74
Table 2	Financial contribution by Finland to multilateral cooperation in forestry and environmental sector in 2009.	76
Table 3	Finnish ODA to Vietnam in 2000–2008.	80
Table 4	Finnish ODA to Lao PDR in 2000–2008.	93
Table 5	Finnish ODA to South America Regional Projects in 2000–2008 and in addition, Central America Forestry project in 2002–2003 (not included in the total net ODA).	99
Table 6	Finnish ODA to Serbia (S) and Montenegro (M) in 2000–2008. . . .	108
Table 7	Finnish ODA to Mozambique in 2000–2008.	117
Table 9	Finnish ODA to Tanzania in 2000–2008.	135

BOXES

Box 1	Four global objectives on forests.	16
Box 2	Goals of the non-legally binding instrument on all types of forests (NLBI).	16
Box 3	EU’s targets for 2020.	17
Box 4	Core functions of FAO in forestry.	20
Box 5	Research priorities of the consultative group on international agricultural research (CGIAR).	25
Box 6	History of the world forestry congress.	29
Box 7	Actions of the declaration of the WFC 2009.	30

Box 8	Barriers to reducing forest loss.	32
Box 9	Scenario clusters for future climate change projections.	34
Box 10	Six core messages addressed to the climate change negotiators by the strategic framework of collaborative partnership on forests (CPF).	35
Box 11	Recommendations for international and national action by the regional forestry commissions.	36
Box 12	Examples of conclusions on environmental effects of ozone depletion and its interactions with climate change by the environmental effects assessment panel (EEAP).	51
Box 13	Top ten recipients of gross ODA of Finland in 2007–2008 (amounts in USD million).	73

PREFACE

Forestry sector is one of the major development cooperation sectors of Finland. The global significance of forests and support to this sector has increased markedly with the growing knowledge and awareness of the climate change and its impact on economic and social development.

The Finnish support to forestry sector in partner countries was evaluated nearly ten years ago. Thus it was considered imperative that an all-encompassing evaluation be mounted. Due to the significant amount of document material involved, it was decided to first perform a pre-study. The purpose of the pre-study was to collect together information on the involvement of Finland in the forestry sector as well as to reflect the global changes in this sector during the last decades. Similarly, it was of interest to map down the changes in the development policy of Finland and how it had been reflected in the ground level work.

The current pre-study report on the forestry sector is structured in two sections. Part one deals with the global issues and trends, and part II concentrates specifically on interventions at the ground level and their relevant documentation. This pre-study will constitute the basic material and information source to the actual wider thematic evaluation, which addressed the forestry sector and also Finland's support to the biological resources sector in general. The pre-study was completed in February 2010 already, but it will be published now as volume III in the overall forestry and biological resources sector evaluation.

Helsinki, 6 October 2010

Aira Päivöke
Director
Development Evaluation

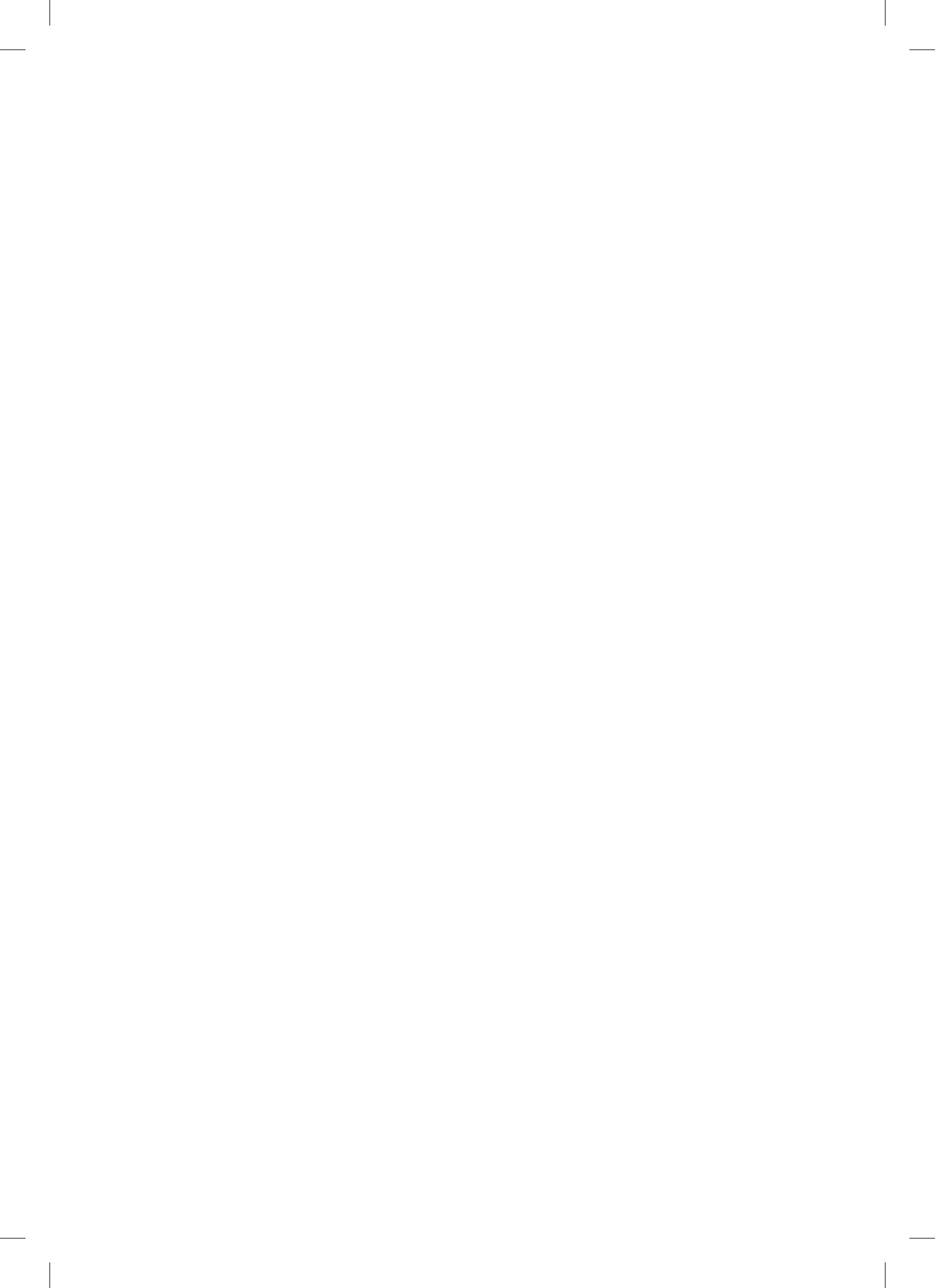


ACRONYMS PART I

A/R	Afforestation and Reforestation
ACTO	Amazon Cooperation Treaty Organization
ADB	Asian Development Bank
AFWC	African Forestry and Wildlife Commission
APFC	Asia-Pacific Forestry Commission
ASEAN	Association of South-East Asia Nations
AWG-LCA	Ad Hoc Working Group on Long-term Cooperative Action under the Convention
BPoA	Barbados Programme of Action
C&I	Criteria and Indicators
	CCOL Coordinating Committee of the Ozone Layer
CDM	Clean Development Mechanism
CGIAR	Consultative Group on International Agricultural Research
CIF	Climate Investment Fund
CIFOR	Center for International Forestry Research
CITES	Convention on International Trade in Endangered Species
CO ₂	Carbon Dioxide
COFO	Committee on Forestry
COMIFAC	Central Africa Forests Commission
COP	Conference of Parties
CPF	Collaborative Partnership on Forests
CSD	United Nations Commission on Sustainable Development
DOM	Dissolved Organic Matter
DSD	Division for Sustainable Development
EC	European Community
ECOSOC	United Nations Economic and Social Council
EEAP	Environmental Effects Assessment Panel
EESC	European Economic and Social Committee
EFC	European Forestry Commission
EMSA	Estrategia Mesoamericana de Sustentabilidad Ambiental
ESSD	Environmentally and Socially Sustainable Development
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FCPC	Forest Carbon Partnership Facility
FIP	Forest Investment Program
FLEGT	Forest Law Enforcement, Governance and Trade
FRA	Global Forest Resources Assessment
G-77	Group of Developing Countries in the United Nations
	G8 Group of Eight leading most developed countries
GBEP	Global Bioenergy Partnership
GEF	Global Environment Fund
GFEP	Global Forest Expert Panels

GHG	Green House Gas
GOFs	Global Objective on Forests
HCV	High Conservation Value
IADB	Inter-American Development Bank
IAITPTF	International Alliance of Indigenous and Tribal Peoples of Tropical Forests
IBRD	International Bank for Reconstruction and Development
ICRAF	World Agroforestry Center
ICT	Information Communication Technology
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IFF	Intergovernmental Forum on Forests
IG Patel	Indraprasad Gordhanbhai Patel
IIED	International Institute for Environment and Development
IIFB	International Indigenous Forum on Biodiversity
ILO	International Labor Organization
IPCC	Intergovernmental Panel on Climate Change
IPF	Intergovernmental Panel on Forests
ITFF	Interagency Task Force on Forests
ITTA	International Tropical Timber Agreement
ITTC	The International Tropical Timber Council
ITTO	International Tropical Timber Organization
IUCN	International Union for Conservation of Nature
IUFRO	International Union of Forest Research Organizations
JLG	Joint Liaison Group
LAC	Latin America and the Caribbean
LDCF	Least Developed Countries Fund
LDCs	Least Developed Countries
LFCCs	Low Forest Cover Countries
LULUCF	Land-Use, Land-Use Change and Forestry
MDGs	Millennium Development Goals
MFA	Ministry for Foreign Affairs of Finland
MOP-21	The 21 ST Meeting on the parties to the Montreal Protocol on Substances that Deplete the Ozone Layer
MoU	Memorandum of Understanding
NAFC	North America Forest Commission
NAP	National Action Programme
NAPA	National Adaptation Programmes of Action
NEFC	Near East Forestry Commission
NFP	National Forest Programme
NGO	Non-Governmental Organization
NLBI	Non-Legally Binding Instrument on All Types of Forests
NTFPs	Non-Timber Forest Products
ODS	Ozone-Depleting Substances
PROFOR	Program on Forests

RAP	Regional Action Programme
REDD	Reducing Emissions from Deforestation and Forest Degradation
REDDES	Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests
SBSTA	Subsidiary Body for Scientific and Technological Advice
SCP-Asia	Sustainable Consumption and Production Asia
SECCI	Sustainable Energy and Climate Initiative
SFA	State Forestry Administration
SFM	Sustainable Forest Management
SIDS	Small Island Developing States
SRAP	Sub-Regional Action Programme
TFAP	Tropical Forestry Action Plan
TFESSD	Trust Fund for Environmentally and Socially Sustainable Development
TFLET	Tropical Forest Law Enforcement, Governance and Trade
UK	United Kingdom
UN	United Nations
UNCBD	United Nations Convention on Biological Diversity
UNCCD	United Nations Convention to Combat Desertification
UNCED	United Nations Conference on Environment and Development
UNDP	United Nations Development Programme
UNDRIP	United Nation Declaration on the Right of Indigenous People
UNECE	United Nations Economic Commission for Europe
UNEP	United Nations Environmental Program
UNFCCC	United Nations Framework Convention on Combating Climate Change
UNFF	United Nations Forum on Forests
UNIDO	UN Industrial Development Organization
UNPFII	United Nations Permanent Forum on Indigenous Issues
USA	United States of America
USD	United States Dollar currency
UV-B	Ultraviolet B or medium wave
VPA	Voluntary Partnership Agreement
WB	World Bank
WFC	World Forestry Congress
WMO	World Meteorological Organization
WWF	World Wide Fund for Nature



Metsäsektori Suomen Kehitysyhteistyössä – Esiselvitys

Anna Ruotsalainen

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TIIVISTELMÄ

Esiselvityksen tarkoituksena oli tuottaa yhteenveto ja taustamateriaalia tulevaa metsäsektorin evaluaatiota varten. Selvitys toteutettiin dokumentteihin perustuvana työnä.

Tämä raportti on jaettu kahteen osaan. Ensimmäinen osa käsittelee kansainvälisiä metsäfoorumeita ja keskittyy keskeisten osapuolten ja ajankohtaisten teemojen esittelyyn. Liitteessä 1 esitetään taulukko kansainvälisestä kehityskulusta kehitysyhteistyön ja metsäasioiden saralla. Toinen osa esittelee Suomen metsäsektorin kehitysyhteistyön historiaa ja keskittyy maakohtaisiin hankkeisiin ja ohjelmiin. Liitteessä 2 esitetään taulukko Suomen kehitysyhteistyön ja metsäsektorin kehityskulusta vuosien aikana. Yhteenvedon lopussa on listattuna mahdollisia tulevan evaluaation teemoja, joita tätä dokumenttia kirjoittaessa on noussut esiin. Näitä teemoja sekä muita dokumentissa esitettyjä tietoja voidaan käyttää tukemaan tulevaa evaluaatiota.

Avainsanat: metsätalous, metsänhoito, kansainvälinen metsäagenda, Suomen kehityspolitiikka, kehityspoliittinen metsälinjaus

Skogsektorn i Finlands Utvecklingssamarbete – Kartläggning

Anna Ruotsalainen

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ABSTRAKT

Den här förstudien har förberetts för att tillhandahålla sammanfattande information och underlag för den kommande utvärderingen av utvecklingssamarbeten inom Finlands skogssektor. Den har sammanställts som en dokumentstudie.

Denna rapport är uppdelat i två delar. I den första delen presenteras den internationella agendan inom skogsbruk med fokus på viktiga aktörer och de senaste trenderna inom globala skogsbruksforum. I bilaga 1 bifogas en kort översikt över globala utvecklingssamarbeten och trender inom skogsbruk. I den andra delen presenteras en historik över samarbeten inom den finska skogssektorn och en granskning av utvecklingsprogram, i olika länder, inom den finska skogssektorn. I bilaga 2 bifogas en tabell över trender inom finska utvecklings- och skogsbrukssamarbeten. I slutet av sammanfattningen presenteras en lista med möjliga teman för kommande utvärderingar som har växt fram under arbetet med studien. Dessa teman, samt all annan information som presenteras i dokumentet, kan användas som ett verktyg av utvärderingsgruppen i sitt arbete.

Nyckelord: skogsbruk, global agenda för skogsbruk, Finlands utvecklingspolitik, utvecklingsriktlinjer inom skogssektorn

Forestry Sector in the Finnish Development Co-Operation – Preliminary Study

Anna Ruotsalainen

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ABSTRACT

The Preliminary Study was prepared to provide summarized information and background material for the forthcoming Evaluation of Finnish Forestry Sector Development Cooperation. It was realized as a document-based desk study.

This document is divided into two parts. The first part presents international forestry agenda focusing on key actors and the most recent trends in the global forestry forums. A summary table of global development cooperation and forestry trends is attached as an Annex 1. The second part presents history of Finnish forestry sector cooperation and provides a review of Finnish forestry sector cooperation programmes in different countries. A summary table of Finnish development and forestry cooperation trends is attached as an Annex 2.

At the end of the summary, there is a list of possible themes for the forthcoming evaluation that have risen while doing this study. The themes, as well as all other information presented in the document, can be used as a tool by the actual Evaluation team when selecting the focal points of its work.

Key words: forestry, global forestry agenda, Finnish development policy, development guidelines for forest sector

YHTEENVETO

Tämän esiselvityksen tarkoituksena oli tuottaa tiivis tietopaketti sekä kansainvälisestä metsäagendasta että Suomen metsäsektorin kehitysyhteistyöstä tulevaa metsäsektorin evaluaatiota varten. Selvitys on toteutettu pöytätyömuotona, sisältäen Ulkoasiainministeriön arkistomateriaalin sekä muun lähdemateriaalin läpikäynnin.

Kansainvälinen yhteistyö niin metsäsektorilla on tullut yhä tärkeämmäksi. Suomi työskentelee yhteistyössä usean kansainvälisen organisaation ja instituution kanssa ja on aktiivisesti mukana kansainvälisissä metsäalan keskusteluissa. Tärkeitä kansainvälisiä metsäalan toimijoita ovat, mm. YK:n eri toimijat, YK:n ilmastonmuutosta koskeva puitesopimus (UNFCCC), YK:n biologista monimuotoisuutta koskeva yleissopimus (UNCBD), YK:n aavikoitumissopimus (UNCCD), YK:n metsäfoorumi (UNFF), metsäkumppanuus (CPF), Maailmanpankki, alueelliset pankit, Maailman ympäristöraho (GEF) ja CGIAR-tutkimusjärjestelmä.

Metsät ovat erittäin ajankohtainen teema kansainvälisesti, eikä vähiten sen vuoksi että ne ovat uhattuina. Näyttää siltä, että metsien merkitys paikallisessa, kansallisessa ja globaalissa kehityksessä on tunnustettu kansainvälisillä foorumeilla. Esimerkiksi Maailman Metsäkonferenssi 2009, joka pidettiin lokakuussa Argentiinassa, tuotti julistuksen joka sisälsi 27 strategista keinoa parantaa ”elintärkeää tasapainoa metsien ja kehityksen välillä.” Tärkeitä metsiin liittyviä teemoja ovat, mm. ilmastonmuutoksen mitigaatio ja siihen sopeutuminen, päästöjen vähentäminen metsäkadon pysäyttämisen kautta (REDD), kestävä metsänhoito ja hallinta (SFM) ja biodiversiteetin suojeleminen, biopolttoaineiden tuotanto, laittomat hakkuut ja heikoimmassa asemassa olevat maat eli pienet kehitysmaasaarivaltiot (SIDS).

Suomen metsäsektorin kehitysyhteistyö on kehittynyt vuosikymmenten aikana lähinnä metsäteollisuuteen ja koulutukseen 1980-luvulla keskittyneestä yhteistyöstä, laajalajaisen näkökulman kestäväan kehitykseen ja kumppanimaan omistajuuteen omaavaksi yhteistyöksi. Tämä kehitys kulkee samassa linjassa kansainvälisen kehityksen kanssa. Suomen pääkumppanimaita ovat: Nicaragua, Sambia, Tansania, Mosambique, Etiopia, Kenia, Nepal ja Viet Nam.

Metsäsektorin yhteistyö ja ympäristön kannalta kestävä kehitys ovat aina olleet tärkeitä Suomen kehitysyhteistyössä. Uuden kehityspoliittisen ohjelman (MFA 2007) ja kehityspoliittisen metsälinjauksen (MFA 2009a) myötä nämä teemat ovat vahvistaneet merkitystään. Metsälinjauksen työstäminen aloitettiin edellisen metsäsektorin evaluaation (LTS International Ltd. 2003) jälkeen. Metsälinjaus on erittäin tärkeä erityisesti tulevaisuuden metsäyhteistyön kannalta. Siinä pyritään, mm. linkittämään kahdenvälinen ja monenkeskinen yhteistyö paremmin toisiinsa ja tukemaan kumppanimaiden omaa politiikkaa, esimerkiksi kansallisten metsäohjelmien kehittämistä. Metsälinjaukseen, kehityspoliittiseen ohjelmaan ja edelliseen evaluaatioon perustuen, seuraavien teemojen toteutumista Suomen metsäsektorin kehitysyhteistyössä voitaisiin tarkastella tulevassa evaluaatiossa:

- Metsäyhteistyön vaikutus köyhyyden vähentämiseen.
- Kahdenvälisen ja monenkeskisen yhteistyön linkittämisen onnistuminen.
- Tuki kohdemaan kansalliselle kehitykselle, esim. kansalliset metsäohjelmat.
- Hankkeiden tulosten kestävyys ja laatu.
- Metsien sosiaalisen, taloudellisen, ympäristöllisen ja kulttuurisen merkityksen sekä valtion, yhteisöjen ja yksityissektorin roolien ymmärtäminen metsäsektorilla.
- Hyvän hallinnon edistämisen onnistuminen.
- Euroopan komission ja sen jäsenmaiden metsäsektorin kehitysyhteistyön ohjeistuksen periaatteiden toteutuminen.
- Kumppanimaan omistajuuden toteutuminen.
- Metsäprojektien integroiminen laajempaan kehitysyhteistyön kehykseen.
- Missä maissa Suomen apu on ollut tehokkainta?

SAMMANFATTNING

Syftet med denna förstudie är att ge kortfattad information om både den internationella agendan inom skogsbruk och samarbeten inom den finska skogssektorn inför den kommande utvärderingen av skogssektorn. Studien genomfördes som en dokumentstudie och innehåller granskningar av dokument från Utrikesministeriets arkiv samt annat referensmaterial.

Internationella samarbeten inom skogssektorn har blivit allt viktigare. Finland samarbetar med flera organisationer och institutioner och är aktiv i internationella diskussioner om skogsfrågor. Några av de viktigaste globala aktörerna är FN-organ, FN:s konventioner (UNFCCC – FN:s ramkonvention om klimatförändringar, UNCBD – FN:s konvention om biologisk mångfald och UNCCD – FN:s konvention för bekämpning av ökenspridning), FN:s skogsforum (UNFF), CPF (Collaborative Partnership on Forests), Världsbanken, Globala miljöfonden (GEF), regionala utvecklingsbanker och jordbruksforskningsystemet CGIAR.

Skogar är en mycket aktuell fråga på den globala agendan och inte minst eftersom det är en hotad resurs. Skogarna står inför allvarliga hot som skadar naturresurserna, och även de människor och industrier som är beroende av dem, men det verkar som att den viktiga roll som skogarna spelar lokalt, nationellt och globalt har erkänts i internationella forum. Ett exempel är världskongressen om skogsbruk 2009, som hölls i oktober i Argentina, och som resulterade i en deklaration med nio slutsatser och 27 strategiska åtgärder för att ”förbättra den vitala balansen mellan skog och utveckling”. Några viktiga teman omfattar mildring av och anpassningar till klimatförändringar, minskade utsläpp från avskogning och skogsförstörelse (REDD), skogsförvaltningsfrågor och rättigheter för ursprungsbefolkningar, hållbara skogsbruk (SFM) och bevarandet av den biologiska mångfalden, produktion av biobränslen, olaglig skogsavverkning och utsikterna för de mest sårbara staterna inför klimatförändringar och stigande havsnivåer, d.v.s. SIDS (Small Island Development States).

Finska samarbeten inom skogssektorn har med åren utvecklats från att främst ha varit samarbeten inom skogsindustri och utbildning under 1980-talet, till samarbeten med mer övergripande visioner om hållbar utveckling och egenansvar inom partnerländerna och följer på så sätt globala trender. De huvudsakliga partnerländerna för Finlands utvecklingspartnersamarbeten är Nicaragua, Zambia, Tanzania, Moçambique, Etiopien, Kenya, Nepal and Vietnam.

Samarbeten inom skogssektorn och miljömässig hållbarhet har alltid vara viktiga frågor inom finska samarbeten. Och i samband med 2007 års utvecklingspolitiska program (Utrikesministeriet 2007) och 2009 års politiska riktlinjer för skogssektorn (Utrikesministeriet 2009a) har skogsbruk och miljö har fått en ännu större betydelse. Arbetet med att ta fram riktlinjer för skogssektorn inleddes efter den tidigare utvärderingen av skogssektorn i 2003 (LTS International Ltd. 2003) som innehöll ett flertal rekommendationer. Riktlinjerna är mycket viktiga i fråga om framtida finländska samar-

ten. De syftar till exempel till att knyta samman bilaterala och multilaterala samarbeten samt stödja och utveckla ländernas nationella politik. Utifrån dessa riktlinjer, utvecklingspolitiken och den tidigare utvärderingen kan ett övervägande och förverkligande av följande teman för samarbeten inom den finländska skogssektorn ingå i den kommande utvärderingen:

- Effekter av samarbeten inom skogsbruk på fattigdomsbekämpningen.
- Framgångar med att knyta samman bilaterala och multilaterala samarbeten.
- Stöd till nationella utvecklingsplaner i partnerländerna, till exempel nationella skogsprogram.
- Hållbarhet och kvalitet i projektresultat.
- Framgångar med att förstå den sociala, ekonomiska, miljömässiga och kulturella vikten av skogar och deras roll i stater, samhällen och den privata sektorn.
- Framgångar i att främja gott styre som en del av ett hållbart skogsbruk.
- Förverkligande av principerna i uppförandekoden för utvecklingssamarbeten inom skogssektorn av Europeiska kommissionen och EU:s medlemsstater i finska utvecklingssamarbeten inom skogssektorn.
- Ägande av partnerländerna i gemensamma utvecklingsinsatser.
- Framgångar med att integrera skogsprojekt i ett bredare utvecklingsramverk.
- I vilka länder har stödet till skogssektorn varit mest effektivt?

SUMMARY

The purpose of this preliminary study is to provide concise information on both international forestry agenda and Finnish forestry sector cooperation to the forthcoming evaluation of the forestry sector. The study was realized as a document desk-study, including revision of documents in the Ministry for Foreign Affairs archives and other reference material.

International cooperation in forestry sector has become more and more important. Finland is working with several organizations and institutions and is active in international discussions on forestry issues. Some of the most important actors globally, include United Nations Bodies, the United Nations Conventions (the United Nations Framework Convention on Combating Climate Change (UNFCCC), the United Nations Convention on Biodiversity (UNCBD) and the United Nations Convention to Combat Desertification (UNCCD)), United Nations Forum on Forests (UNFF), Collaborative Partnership on Forests (CPF), World Bank, Global Environment Fund (GEF), regional development banks and CGIAR agriculture research system.

Forests are very current in the global agenda and not least because they are threatened resource. Although forests face serious threats causing damage to the natural resource itself as well as to the people and industries dependent on it, it seems that the important role forests play in local, national and global level has been recognized in the international forums. As an example, the World Forestry Congress 2009, held in Argentina in October, produced a declaration outlining nine findings and 27 strategic actions through which the “Vital Balance between Forests and Development can be improved”. Important themes include climate change mitigation and adaptation, reducing emissions from deforestation and forest degradation (REDD), forest governance issues and the rights of the indigenous people, sustainable forest management (SFM) and biodiversity conservation, biofuel production, illegal logging and the most vulnerable states in front of climate change and sea-level rise i.e. Small Island Development States (SIDS).

Finnish forestry sector cooperation has developed through the years from mainly forest industry and training cooperation in the 1980s to cooperation with more comprehensive vision on sustainable development and partner countries’ ownership, following the global trends. The main partner countries of Finnish development cooperation are Nicaragua, Zambia, Tanzania, Mozambique, Ethiopia, Kenya, Nepal and Viet Nam.

Forestry sector cooperation and environmental sustainability in general, have always been important in Finnish cooperation. With the new development policy of 2007 (MFA 2007) and policy guidelines for forest sector of 2009 (MFA 2009a), forestry and environment have gained even more importance. The process to produce forest sector guidelines was started after the previous evaluation of forest sector in 2003 (LTS International Ltd. 2003), which included several recommendations. The guide-

lines are very important in terms of future Finnish cooperation. They seek to, for example, link bilateral and multilateral cooperation and support and develop countries' national policies. Based on the guidelines, development policy and the previous evaluation, the consideration and realization of the following themes in Finnish forest sector cooperation could be assessed in the forthcoming evaluation:

- Impact of forestry cooperation on poverty reduction.
- Success in linking bilateral and multilateral cooperation.
- Support to the partner country's national development, for example, the National Forest Programmes.
- Sustainability and quality of project results.
- Accomplishment of understanding the social, economic, environmental and cultural importance of forests and of the roles played by the state, communities and the private sector.
- Success in promoting good governance as part of Sustainable Forest Management.
- Materialization of the principles of Code of Conduct for Forest Sector Development Cooperation of the European Commission and the EU Member states in Finnish Forest Sector Development Cooperation.
- Ownership by partner countries in joint development efforts.
- Success in integrating forestry projects to wider development framework.
- In which countries has the forestry sector aid been the most effective?

PART I: FORESTS IN THE INTERNATIONAL AGENDA

1 STATE OF FORESTS

Forests have important ecological, economic and social functions all over the world. The main application of woody biomass from forests and trees outside forests is energy. The total production of wood in the year 2000 reached approximately 3 900 million m³, of which 2 300 million m³ was used for woodfuels. This means that approximately 60 percent of the world's total wood removals from forests and trees outside forests are used for energy purposes (FAO 2009a).

According to the Food and Agriculture Organization of the United Nations' (FAO) most recent Forest Resources Assessment (FAO 2006) the total forest area in 2005 was just under four billion hectares, corresponding to an average of 0.62 ha per capita. However, the area of forest is unevenly distributed: 64 countries with a combined population of two billion have less than 0.1 ha of forest per capita and the ten most forest-rich countries (Russian Federation, Brazil, Canada, USA, China, Australia, Democratic Republic of Congo, Indonesia, Peru) account for two-thirds of the total forest area.

Climate change is seen as the biggest single threat to the Earth's ecosystems. Forest ecosystems, particularly in boreal, mountain, tropical and Mediterranean regions and mangroves, are likely to be especially affected by climate change (Abdelkader *et al* 2007). In addition to being threatened by the climate change, forests play an important role in the climate change mitigation through carbon sequestration, carbon substitution, and carbon conservation.

Also deforestation is rapidly gaining attention in the global agenda especially because of climate change; it is recognized that deforestation is responsible of around 17–20% of global CO₂ emissions. Although according to a recent report by authors led by Guido van der Werf, based on updated forest cover data and accounting for significantly increased fossil fuel emissions, puts the figure at 12%. If emissions from peatland degradation are included, the figure is 15% (Butler 2009). Brazil and Indonesia are world's top carbon polluters after China and the United States because of large-scale logging and ground clearance. Deforestation, mainly conversion of forests to agricultural land, continues at high rate – about 13 million hectares per year. At the same time, forest planting, landscape restoration and natural expansion of forests have significantly reduced the net loss of forest area. The net change in forest area in the period 2000–2005 is estimated at –7.3 million hectares per year (an area about the size of Sierra Leone or Panama), down from –8.9 million hectares per year in the period 1990–2000 (FAO 2006).

Forests provide multiple services and the consequences of deforestation, degradation of forest resources and climate change are also manifold, including reduced forest biological diversity, reduced carbon stock in forests, reduced livelihood options for forest-dependent communities (for example in form of NTFPs), reduced environmental services produced by forests (water retention capacity, prevention of soil erosion), and reduction of cultural and recreational opportunities. Also the role of forests in bioenergy production is linked to these consequences and the theme is growing more important in international talks, especially the consequences of biofuel production on forests in the tropical countries. As industrialized countries are fighting against climate change by reducing their CO₂ emissions, the goal to increase the use of renewable energy, for example by fuel substitution, can cause severe damage to the tropical forest resources. Trees are felled to give way for palm oil or other biofuel plantations.

Sustainable Forest Management (SFM) has become an important issue on the global forest agenda as well. Although the progress towards SFM has been globally uneven, there is interest and political will by many countries to improve their forest management, in terms of for example legislation or improved environmental services.

2 CHRONICLE OF THE GLOBAL FORESTRY AGENDA

International cooperation in the field of development has a fairly short history and foundation of the United Nations (UN) on 24th October 1945, can be held as a significant milestone. The organization was formed to maintain international peace and security, to develop relations among nations and to promote social progress, better living standards and human rights. Today the UN has 192 member countries. Important international treaties and conventions, including on environment and forests, have been realized within the UN framework. The first international conference on the Environment was held in Stockholm in 1972 and United Nations Environmental Program (UNEP) was set up during the process. The following text is supported by the Annex I, which presents important international milestones, decisions and meetings related to development cooperation and forestry in a global scale from the 1980s to-date.

In the 1980s, global concerns over rapid deforestation, species lost and environmental degradation became prominent. During the decade, the International Tropical Timber Agreement (ITTA) in 1983 following the International Tropical Timber Organization (ITTO) in 1986, were established and FAO's tropical timber action plans were guiding the work to save the world's tropical forests. In 1987, the Brundtland Commission defined sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

During the 1990s concerns over environment grew and limits of growth and global resources became important topics in the international forums. In the United Nations Conference on Environment and Development (UNCED), held in 1992, a non-legally binding Authoritative Statement of Principles for a Global Consensus on the Management, Conservation and Sustainable Development of all Types of Forests, also known as the “Forest Principles”, was achieved (UN 1992b). In the Forest Principles, the concept of SFM was also articulated. During the 1990s, forest biodiversity was increasingly important issue in the agenda of the United Nations Convention on Biological Diversity (UNCBD), which was signed in the UNCED.

After UNCED, the Intergovernmental Panel on Forests (IPF), from 1995–1997, and the Intergovernmental Forum on Forests (IFF) from 1997–2000, both under the auspices of the United Nations Commission on Sustainable Development, were the main intergovernmental forums for international forest policy development. An informal, high level Interagency Task Force on Forests (ITFF) was set up in July 1995 to coordinate the inputs of international organizations to the forest policy process.

With Kyoto Protocol, signed in 1997, also forests became part of the global climate talks. Afforestation and reforestation together with SFM were considered as means to protect and enhance sinks and reservoirs of greenhouse gases. Towards the end of the decade, climate change started to become more and more important in the global agenda as did the role of forests in climate change adaptation and mitigation.

In the wake of a new century, saving global forest ecosystems was already recognized as a mutual challenge for the international community. However, the task does not seem to get any easier since new threats to forests arise and some old ones have become more complex. For example, rapid growth in some developing countries has accelerated the destruction of forest resources because of energy demands. Bad management of forest resources and illegal trading of tropical timber are challenging efforts made towards sustainable forest management. National Forest Programmes (NFPs) are seen as an essential element in addressing forest sector issues in the 21st Century. In 2002, a National Forest Programme Facility was created by FAO to assist countries in developing and creating effective programmes that address national needs. The country-specific NFPs are a framework to implement SFM in line with the international agreements on it.

New forms of action in the field of global forestry have appeared in the 21st Century, for example the United Nations Forum on Forests (UNFF), different mechanisms of World Bank to tackle the forest-related problems and many Cooperation Bodies between different actors, for example Collaborative Partnership on Forests (CPF). More comprehensive idea of forest management is enforcing and forest governance and ownership issues have gained importance. This means that the whole framework around forest policies is becoming more intersectoral and holistic and any forest treaty or cooperation in the forest sector needs to take account various issues affecting forest resources all over the globe. Partnerships and cooperation with multiple stakeholders are crucial.

3 KEY ACTORS IN THE GLOBAL FORESTRY AGENDA

It is relevant to examine the global actors in forests and forestry field because the international conventions are an integral part of the Finnish Development policy. Finland is also part of international environmental and other agreements with connections to forests and it is important for Finland to be actively involved in the international discussions on forest policies and their implementation. Important forest-related forums in recent years include, among others, the UNFF, the United Nations Framework Convention on Combating Climate Change (UNFCCC), and the UN-CBD's Expanded Programme of Work on Forest Biodiversity and the Collaborative Partnership on Forests (CPF).

The policy on Finland's multilateral cooperation highlights achieving a global agreement to mitigate climate change and developing international climate financing as the most important near-term objectives of environmental cooperation. In addition, the policy emphasizes development of food security, agriculture and food production, to make them ecologically sustainable, preserving biodiversity and ensuring its sustainable use, as well as promoting sustainable forestry and preventing desertification. The most important partners for Finnish multilateral development cooperation are United Nations' Bodies and Organization, European Union, World Bank, Global Environment Fund (GEF), International Fund for Agricultural Development (IFAD), regional development banks and CGIAR agriculture research system. At the end of the 1990s and around the beginning of the new Millennium, about 40% of the multilateral cooperation was directed to the UN, the EU's share being about one third, and that of international developmental financing organizations approximately 25% (MFA 2001).

The main channels for Finland in influencing within UN are participation in the policy guidance of development programs and financing. Thematic financing through UN organizations has been increasingly focused, among others, on sustainable development, environment, climate and forest themes. Finland promotes development and strengthening of environmental administration as part of UN organizational reform and calls for more coordinated management of international environmental treaties. Finland also supports UN's forest-related processes and emphasizes the importance of forest-related questions within the UNFCCC framework (Ulkoasianhallinto 2008).

3.1 United Nations Conventions

All the UN Conventions – UNFCCC, UNCBD, and UN Conventions to Combat Desertification (UNCCD) - recognize the key role forests play in achievement of their respective objectives. The Conventions also recognize that activities of one convention can help to achieve objectives of the other ones and a Joint Liaison Group (JLG) has been formed to improve coordination between the Conventions. This is true for

example in the case of combating desertification which can, according to UNCCD, contribute to the objectives of UNCCC and UNCBD.

At the moment, the primary goal of the UNFCCC is to establish a global climate convention for the time after 2012. The most recent climate conference, COP15 held in December 2009 in Copenhagen, ended up in the 'Copenhagen Accord', which was a controversial result not supported by all parties. Finalization of a legally binding global climate treaty to succeed the Kyoto Protocol in 2013 was failed and postponed until the next COP in November 2010 in Mexico. In climate change agenda, forests are addressed both as emissions sources and carbon sinks and UNFCCC acknowledges the need for REDD-mechanism (page 25). In Finland's view, the Clean Development Mechanism (CDM), in particular, should be developed and strengthened to obtain an effective climate political instrument advancing the participation of developing countries and the development of a global emission trading system (MFA 2008).

The UNCBD addresses forests directly through the expanded Programme of Work on Forest Biological Diversity adopted in 2002 (UNCBD 2002), which consists of three elements: (i) Conservation, Sustainable Use, and Benefit-Sharing, (ii) Institutional and Socio-Economic Enabling Environment, (iii) Knowledge, Assessment, and Monitoring. Finland is committed to the conclusions issued by the European Council in 2007 which stress the urgency of actions to promote the achievement of the goals set for biodiversity and the need for effective implementation of the UNCBD (MFA 2008).

The UNCCD aims to maintain forests and tree cover to combat land degradation and desertification by stabilizing soils, reducing water and wind erosion and maintaining nutrient cycling in soils. It also promotes increased cross-sectoral cooperation to help carry out both the Programme of Work on Forest Biodiversity under the UNCBD, and the decisions set by the UNFF. The UNCCD notes that the underlying socio-economic causes of deforestation and desertification are similar, and recommends promotion of sustainable forest management as an effective means of addressing relevant objectives of the UNCCD, the UNFCCC and the CBD.

National Action Programmes (NAPs) are one of the key instruments in the implementation of the UNCCD. They are strengthened by Action Programmes on Sub-regional (SRAP) and Regional (RAP) level. National Action Programmes are developed in the framework of a participative approach involving the local communities and they spell out the practical steps and measures to be taken to combat desertification in specific ecosystems (UNCCD 2009).

The European Union has been a central player in reforming implementation of the UNCCD, and is a significant financier of the Convention. Finland attempts to intensify implementation of the UNCCD by means of multilateral efforts and through bilateral, regional and NGO development cooperation (MFA 2008).

3.2 United Nations Commission on Sustainable Development (CSD)

The CSD is a functional commission of the United Nations Economic and Social Council (ECOSOC). It was established in 1992 to ensure follow-up of the UNCED. The Commission works in two-year cycles, each cycle focusing on selected thematic clusters of issues. In 2010/2011 these include for example transport and waste management, followed by forests, biodiversity, biotechnology, mountains and tourism in the 2012/2013 cycle. In general, the Commission emphasizes appropriate management of existing natural formations, including forests, for the conservation of biodiversity, watershed protection, sustainability of their production and agricultural development. It also promotes agroforestry practices, afforestation and reforestation and community forestry.

The Division for Sustainable Development (DSD) promotes sustainable development as the substantive secretariat to the CSD. It seeks to integrate the social, economic and environmental dimensions of sustainable development in policy-making at international, regional and national levels. The context for the Division's work is the implementation of Agenda 21, the Johannesburg Plan of Implementation and the Barbados Programme of Action for Sustainable Development of Small Island Developing States (ECOSOC 2009).

Finland considers it important to reinforce the significance of the CSD. Finland works in line with this goal within both the UN and the EU. For Finland it is important that the visibility and effectiveness of the CSD is enhanced by focusing on themes and action models that bring added value to the global environmental cooperation (MFA 2008).

3.3 United Nations Forum on Forests (UNFF)

The UNFF was established in 2001 with the objective of promoting the management, conservation and sustainable development of all types of forests and to strengthen long term political commitments to this goal based on the Rio Declaration, the Forest Principles, Chapter 11 of Agenda 21 (UN 1992a) and the outcome of the IPF/IFF Processes and other key milestones of international forest policy. The Forum is a Functional Commission of the ECOSOC and it is composed of all member states of the United Nations and specialized agencies.

During their five-year period, IPF and IFF produced a body of more than 270 proposals for action towards Sustainable Forest Management which are considered as the IPF/IFF Proposals for Action. These proposals are the basis for the UNFF Multi-Year Programme of Work and Plan of Action (UNFF 2009a). The themes of the UNFF Multi-Year Programme of Work and Plan of Action are discussed at annual UNFF Sessions. Country- and Organization-led initiatives contribute to development of UNFF themes and in addition, multi-stakeholder dialogues are also an integral part

of the agenda at UNFF sessions, allowing major stakeholders to contribute to the forest policy forum.

The guiding theme at the UNFF8 in 2009 was “Forests in Changing Climate” in particular in the context of climate change, biodiversity and desertification/deforestation. The ninth session of the Forum in 2011 has an overall theme of “Forests for people, livelihoods and poverty eradication”, and the tenth session in 2013 has the theme of “Forests and economic development”.

The UNFF aims to reverse the loss of forest cover worldwide through SFM, including protection, restoration, afforestation and reforestation, and increase efforts to prevent forest degradation. In 2006, at UNFF6, the Forum agreed on Four Global Objectives on Forests (GOFs) that provide guidance on the future work of the international arrangement on forests (see box 1).

Box 1 Four global objectives on forests.

- Reverse the loss of forest cover worldwide through SFM, including protection, restoration, afforestation and reforestation, and increase efforts to prevent forest degradation;
- Enhance forest-based economic, social and environmental benefits, including by improving the livelihoods of forest-dependent people;
- Increase significantly the area of sustainably managed forests, including protected forests, and increase the proportion of forest products derived from sustainably managed forests; and
- Reverse the decline in official development assistance for sustainable forest management and mobilize significantly-increased new and additional financial resources from all sources for the implementation of SFM.

Source: UNFF 2006.

In 2007, a Non-Legally Binding Instrument on All Types of Forests (NLBI) for the period 2008–2015 was adopted by the UNFF7, and a bit later same year by the UN General Assembly (UN 2008). The instrument was a milestone agreement since it was the first of its kind on SFM. The instrument calls for Member States to, among others, develop National Forest Programmes and financing strategies that encourage SFM (Box 2).

Box 2 Goals of the non-legally binding instrument on all types of forests (NLBI).

- Strengthening of political commitment and action at all levels to implement effectively sustainable management of all types of forests and to achieve the shared global objectives on forests;
- Enhancement of the contribution of forests to the achievement of the internationally agreed development goals, including the Millennium Development Goals, in particular with respect to poverty eradication and environmental sustainability;
- Provision of a framework for national action and international cooperation

Source: UN 2008.

Finland is committed to applying the NLBI in all of its development cooperation, and to promoting its implementation through its inclusion in the development programmes funded by Finland. At the same time, Finland supports pursuits to establish a legally binding instrument on forest management (MFA 2008).

3.4 European Union (EU)

In the EU, the formulation of forest policies is the competence of the Member States within a defined framework of established ownership rights and national and regional laws and regulations based on long term planning. Although the Treaties for the European Union make no provision for a common forest policy, EU has a long history of measures supporting certain forest-related activities, coordinated with Member States mainly through the Standing Forestry Committee. In 1995, the Thomas Report of the environmental committee of the European Parliament gave a series of recommendations for the development of an EU Forest Policy. Adopted in 1998, the EU Forestry Strategy puts forward as its overall principles the application of SFM and the multifunctional role of forests (European Commission 2008).

In the international forums, the EU is especially devoted to combating illegal logging and deforestation. It takes part in the UNFF and works on a range of forest-related issues to develop and promote the Union's environmental objectives. In 2003, the European Commission adopted a European Union Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT; EUR-LEX 2003) which ultimately aims at sustainable management of forests emphasizing legality of forest operations (Official Journal of the European Union 2005). The joint declaration of the EU on development policy in 2005, i.e. the European Consensus on Development, strengthened the commitment of the EU to reducing poverty and promoting sustainable development.

Under the Swedish Presidency, during the second half of 2009, EU raised the issue of biodiversity as one of the priority issues in the field of environment. In the field of climate change talks, EU recognizes the role of forests and promotes reforestation, sustainable forestry fight against deforestation. EU has also set targets to be achieved by the year 2020 (Box 3).

Box 3 EU's targets for 2020.

- Reduce greenhouse gas emissions by at least 20% from the 1990's level by 2020
- Increase the use of renewables to 20% in all energy consumption
- 10% of all fuels used in transportation should be biofuels
- Increase the efficiency of energy use by 20%
- Reduce emissions from deforestation by: Halting global forest loss by 2030 and halving tropical deforestation by 2020

Source: Commission of the European Communities 2008.

3.4.1 EU and Africa

EU's relations with Africa are based on an Africa-EU strategic partnership, which is guided long-term by a Joint Africa-EU Strategy (European Commission 2007a). For the period 2008–2010, an Action Plan was created to give specific and concrete proposals for actions. The plan is structured along eight Africa-EU strategic partnerships, including Democratic Governance and Human Rights, Millennium Development Goals (MDGs), and Energy and Climate Change, which also includes forest-related issues.

EU seeks to enhance cooperation in the context of international initiatives against the illicit trade in natural resources, such as the FLEGT. In addition, as part of the priority action of halving the number of people suffering from malnutrition and hunger, the goal is to improve governance in the agricultural sectors, including in the area of management regimes for land, fish and forest resources. In relation to climate change EU seeks to reduce deforestation, promote SFM and improve livelihoods of forest-dependent populations (European Commission 2007b).

3.4.2 EU and Asia

According to the Regional Programming for Asia Strategic Document, the Commission's regional cooperation in Asia during 2007–2013, will focus on three priority areas, including policy and know-how based Cooperation in Environment, Energy and Climate Change, through Sustainable Consumption and Production (SCP-Asia) and the FLEGT -Programme. Cross-cutting issues of the Strategy include environmental sustainability (European Commission 2007c).

EU is also intensifying cooperation with the Association of South-East Asia Nations (ASEAN), which encompasses ten South East Asian countries: Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar (Burma), Philippines, Singapore, Thailand, and Vietnam. In 2007, the first-ever EU-ASEAN Summit endorsed a joint EU-ASEAN Plan of Action to enhance cooperation between EU and ASEAN.

In relation to environment and climate change, the Action Plan engages EU to further explore international cooperation and financial resources availability to promote SFM, including through actions to address deforestation, illegal logging and associated trade, forest fires, unsustainable agriculture, unauthorized land clearance and environmental degradation, as well as cooperation with regional and international institutions to promote SFM (European Commission 2007d).

3.4.3 EU and Latin America

EU's policy priorities in Latin America are defined in a communication "EU-Latin America: Global players in Partnership" (Commission of the European Communities 2009). On the other side, Regional Strategy Paper 2007–2013 (European Com-

mission 2007e) defines the specific areas for regional development cooperation programmes. A summit of leaders of EU, Latin America and the Caribbean (LAC) takes place bi-annually.

Climate change –related adaptation and mitigation measures are seen as one of the priority areas of cooperation between EU and Latin America. It is recognized that not only Latin American countries' vast natural resources are threatened but that many Latin American countries are very important negotiating partners in the international climate negotiations; they are well placed to take the lead in promoting low-carbon development solutions, energy efficiency and renewable energy domestically. In general, biodiversity (implementation of the UNCBD) and forest issues (tackling deforestation) are of particular importance for cooperation with Latin America.

3.5 Food and Agriculture Organization of the United Nations (FAO)

FAO is a specialized UN Agency, established in 1945. It is governed by the Conference of Member Nations, which meets every two years to review the work carried out by the Organization and approve a Programme of Work and Budget for the next biennium. FAO is composed of eight departments: Agriculture and Consumer Protection; Economic and Social Development; Fisheries and Aquaculture; Forestry; Human, Financial and Physical Resources; Knowledge and Communication; Natural Resources Management and Environment and Technical Cooperation. For Finland, as regards to the Development Policy Programme, the most essential priorities of FAO operations include international forest policy issues, norms and standards related to agricultural and food policies (including land use issues and fishing), and the development of agricultural market systems and participation possibilities such as cooperatives (MFA 2008).

Six Regional Forestry Commissions (Africa, Asia-Pacific, Europe, Latin America and Caribbean, Near East, and North America) were established by the FAO Conference between 1947 and 1959. Every two years, the Commissions bring together the Heads of Forestry in each major region of the world to address the most important forestry issues in the region. The Commissions consider both policy and technical issues. They possess a key role in the international arrangement on forests, serving as a link between global dialogue at the Committee on Forestry (COFO) and the UNFF, and national implementation.

The COFO is the highest FAO Forestry statutory body. The biennial sessions of COFO bring together heads of forest services and other senior government officials to identify emerging policy and technical issues, to seek solutions and to advise FAO and others on appropriate action. Other international organizations and, increasingly, non-governmental groups participate in COFO. Participation in COFO is open to all FAO member countries (FAO 2009b).

In a FAO's Strategy for Forests and Forestry, which was presented in the COFO's 19th session in March 2009, forests are considered to be a broad, multi-disciplinary concept that encompasses social, economic and environmental aspects (Box 4). The Strategy notes that interactions between the forest sector and other sectors are increasingly understood to be the source of both problems and opportunities for forestry. In addition, the critical roles that forests and trees outside forests play in mitigation of and adaptation to climate change as well as a source of bio-energy are increasingly recognized, requiring consideration in national and international decision-making. It recognizes the challenge of SFM to slow down deforestation and recognizes the need to share and manage more effectively rapidly increasing knowledge on forests (COFO 2009a).

Box 4 Core functions of FAO in forestry.

- Providing long-term perspectives and leadership in monitoring and assessing trends in forest resources and services, and the production, consumption and trade of forest products.
- Generating, disseminating and applying information and knowledge, including statistics.
- Leading the development of voluntary guidelines, supporting the development of national legal instruments, and promoting their implementation.
- Articulating policy and strategy options and advice to improve the social, economic, and environmental aspects of forest development and conservation.
- Providing technical support to promote technology transfer, catalyze change and build effective and sustainable institutional capacity for sustainable forest management.
- Undertaking advocacy and communication to mobilize political will and to promote global recognition of required actions to achieve sustainable forest management.
- Bringing integrated interdisciplinary and innovative approaches to bear on work in the forest sector and in other key sectors that have an impact on forests.
- Working through strong partnerships and alliances where joint action is needed.
- Facilitating linkages between national, regional and global levels.

Source: COFO 2009a.

FAO will produce a new Global Forest Resources Assessment (FRA) in 2010. The report is expected to provide a comprehensive picture of the extent of forests and other wooded land, their condition, management and uses, including SFM. The FRA 2010 will also cover the forest-related information needs for monitoring progress towards the 2010 Biodiversity Target of the UNCBD, the Global Objectives on Forests of the UNFF and the Millennium Development Goals.

3.6 Collaborative Partnership on Forests (CPF)

The CPF is a voluntary arrangement among 14 international organizations and secretariats with substantial programmes on forests: CIFOR, FAO, ITTO, IUFRO, CBD, GEF, UNCCD, UNFF, UNFCCC, UNDP, UNEP, ICRAF, WB, and IUCN. The CPF's mission is to promote the management, conservation and sustainable develop-

ment of all types of forest and strengthen long term political commitment to this end (CPF 2008a). It aims to promote the implementation of the IPF/IFF Proposals for Action through NFPs.

The Global Forest Expert Panels (GFEP) initiative is established within the framework of the CPF, and is led and coordinated by the International Union of Forest Research Organizations (IUFRO), a non-profit, non-governmental international network of forest scientists. It builds on the political recognition provided by the UNFF and the UNCBD (UNCBD 2008a). GFEP provides a mechanism for linking the information requirements of governments and intergovernmental processes related to forests and trees with existing scientific expertise. The initiative is designed to consolidate available information and expertise in relevant fields, instead of conducting new research (IUFRO 2008).

The Expert Panel on Adaptation of Forests to Climate Change is the first thematic panel established under the GFEP initiative. The Expert Panel was in late 2007 to carry out a comprehensive assessment of the state of knowledge regarding the impacts of climate change on forests, their implications for human wellbeing, and the options for adaptation. The Expert Panel met three times during the course of 2008. The assessment report on “Adaptation of Forests and People to Climate Change – A Global Assessment Report” (Seppälä *et al* 2009) was formally presented at the UNFF8 in May 2009.

3.7 International Financing Institutions

Finland supports efforts to raise ecologically sustainable development to serve as the third cornerstone, along with economic growth and participation opportunities of poor people, in the poverty reduction strategies of development financing institutions. Through cooperation with the international financing institutions, Finland contributes to improvement of the coordination of environmental financing (MFA 2008).

3.7.1 The World Bank

The World Bank was established in 1944. It is made up of two development institutions owned by 186 member countries: the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). The former, also the original institution of the World Bank Group, aims to reduce poverty in middle-income and creditworthy poorer countries. IDA, on the other hand, was established in 1960 and aims to reduce poverty in the poorest countries.

The World Bank’s Forest Strategy, *Sustaining Forests: a Development Strategy* (World Bank 2004), and *Operational Policy*, approved by the Executive Board of Directors in October 2002, are based on three equally important pillars: economic development, poverty reduction and protection of global forest values. The Bank seeks to harness

the potential of forests to reduce poverty, integrate forests into sustainable economic development, and protecting global forest values. The bank has the following forest-related actions:

The Bio-Carbon Fund

The World Bank has pioneered the role of forest in climate change through the Bio-Carbon Fund since 2004 to demonstrate projects that sequester or conserve carbon in forest and agro-ecosystems. The Bio-Carbon Fund considers purchasing carbon from a variety of land use and forestry projects, the portfolio includes: Afforestation and Reforestation, Reducing Emissions from Deforestation and Degradation (REDD) and is exploring innovative approaches to agricultural carbon.

Forest Carbon Partnership Facility (FCPC)

The FCPC, launched at COP13 and operational since 2008, assists developing countries in their efforts to realize REDD as a climate change mitigation option by providing value to standing forests and developing national REDD approaches. The FCPF has two objectives: (i) Building capacity for REDD in developing countries, and (ii) Testing a program of performance-based incentive payments in some pilot countries.

There are two mechanisms to support these objectives: Readiness Mechanism (which Finland supports) and Carbon Finance Mechanism. The former, as a supporting tool for UNFCCC, supports activities such as: credible estimations of countries' national forest carbon stocks and sources of forest emissions, investigation of national reference scenarios for emissions from deforestation and forest degradation based on past emission rates for future emissions estimates, calculation of opportunity costs of possible REDD interventions, adoption of national strategies for stemming deforestation and forest degradation, and design of national monitoring, reporting and verification systems for REDD. In the case of the latter, it is expected that around five countries that will have made significant progress towards REDD readiness will also participate in the Carbon Finance Mechanism and receive financing from the Carbon Fund, through which the Facility will implement and evaluate pilot incentive programs for REDD based on a system of compensated reductions (FCPF 2009).

Climate Investment Fund (CIF)

The CIF was launched in July 2008 by the World Bank Group. The objectives are (i) scaling up investments in low-carbon technology (Clean Technology Fund) and (ii) supporting various programs to test innovative approaches to climate action (through the Strategic Climate Fund). The CIF combines significant concessional financing with international financial institutions, public and private sector flows, the GEF and other climate financing (such as carbon finance).

Forest Investment Program (FIP), which Finland is funding, is a program within the World Bank's Strategic Climate Fund. The FIP's overall objective is to mobilize significantly increased funds to reduce deforestation and forest degradation and to promote SFM for emission reductions and protection of carbon reservoirs (World Bank 2009).

Trust Fund for Environmentally and Socially Sustainable Development (TFESSD)

TFESSD, jointly funded by Finland and Norway, aims at mainstreaming the environmental, social and poverty reducing dimensions of sustainable development into the Bank's work. 50 percent of the funding is earmarked to Sub-Saharan Africa. The Fund supplements Bank's environmental work through Environment Window by, for example, supporting activities in the priority areas of action set out in the Bank's Environment Strategy with objectives such as: protecting the quality of the regional and global commons – such as climate change, forests, water resources and biodiversity.

Program on Forests (PROFOR)

PROFOR is a multi-donor trust fund program (including Finland) housed at the World Bank since 2002, within the Environmentally and Socially Sustainable Development Forests Team (ESSD). PROFOR was formed to pursue a shared goal of enhancing forests' contribution to poverty reduction, sustainable development and protection of environmental services. Through improved knowledge and approaches for SFM, PROFOR seeks to encourage the transition to a more socially and environmentally sustainable forest sector supported by sound policies and institutions that take a holistic approach to forest conservation and management. The Program collaborates closely with the Bank in the implementation of the WB's Forest Strategy and Policy.

3.7.2 Regional Development Banks

The Asian Development Bank (ADB)

The ADB's long-term strategic framework 2008–2020 (Strategy 2020) recognizes the importance of environmentally sustainable growth in order to achieve poverty reduction and improve the quality of livelihoods. The climate change is also important in the ADB's agenda, especially promoting low-carbon growth and adaptation to the climate change. The ADB is engaged in partnerships with GEF, WWF, UNEP and IUCN and several regional initiatives in the field of, for example, CDM, poverty and environment and achieving the MDGs.

The ADB is also financing several forest-related projects in the Asian region. It has a Forest Policy Working Paper from 2003, which was formulated in order to respond to persistent and emerging challenges, including dealing with global climate change, preventing the loss of biodiversity, mitigating damage from catastrophic floods and forest fires, and solving environmental problems (Asian Development Bank 2003). The main goal is to improve Sustainable Forest Resource Management for Poverty Reduction and Environmental Protection. It also defines ADB's vision for forestry as Stewardship of forests for a healthier and wealthier future for all in Asia and the Pacific.

In supporting the Asian Development Bank, Finland concentrates especially to promote energy efficiency and utilization of renewable energy sources, e.g. through a partnership fund and emissions trading (MFA 2008).

The African Development Bank

The Bank works in many different sectors of development. Agriculture and Rural Development Sector covers also Forestry projects. One of the operational priorities in the agriculture sector is natural resources management and adaptation to climate change. In this area emphasis is on improved conservation, utilization, and governance and management regimes for land, water, fish and forest resources as well as conserving biodiversity.

The Bank hosts a Congo Basin Forest Fund, which contributes to combating deforestation by building capacity in the local population and in institutions in the Congo Basin. The fund also helps local communities develop sustainable livelihoods that contribute to preservation of the Congo Basin.

Climate risk management and adaptation is a top priority to the Bank. The Bank has a Climate Risk Management and Adaptation Strategy (African Development Bank Group 2009) according to which the Bank engages itself in supporting mechanisms to prevent and reverse land degradation and promote afforestation, and sustainable land use practices as part of legal and policy reform interventions to achieve the objectives of the strategy.

In Finland's cooperation with the Bank, energy issues and adaptation to climate change are focal areas. In the partnership fund, the weight is being transferred to the management of natural resources, the aim being to focus especially on forest and water issues (MFA 2008).

Inter-American Development Bank (IADB)

The IADB is the only development bank that has categorized forestry as an independent topic under the areas of work. In its forestry sector activities, the Bank supports the Member countries in institutional development, especially legal institutions, conservation and management efforts, development of sustainable forest industries, and training of technical personnel as well as local population in the development of forest activities.

The IADB works through priority initiatives and regional initiatives. The former includes SECCI – Sustainable Energy and Climate Initiative which seeks to build climate resilience in areas most vulnerable to climate change, and it also focuses on renewable energy and sustainable biofuel issues. Finland is one of the donors to the fund.

The Mesoamerica project is a regional initiative, which started when a regional cooperation strategy by the country leaders was ratified. This led to a Mesoamerican Strategy for Environmental Sustainability (EMSA for its Spanish initials) in 2008. Environmental sustainability is of high priority for the EMSA in efforts to deal with climate change consequences. The strategic areas of work include: (i) biodiversity and forests, (ii) climate change and (iii) sustainable competitiveness. The first area of work seeks to strengthen the Mesoamerican Biological Corridor and promote a regional, integrated system of conservation areas.

3.8 Consultative Group on International Agricultural Research (CGIAR)

The CGIAR was established in 1971. It is a strategic partnership that works in collaboration with government and civil society organizations as well as private businesses around the world. The priorities of CGIAR research are listed in the Box 5.

Box 5 Research priorities of the consultative group on international agricultural research (CGIAR).

- Reducing hunger and malnutrition by producing more and better food through genetic improvement
- Sustaining agriculture biodiversity both in situ and ex situ
- Promoting opportunities for economic development and through agricultural diversification and high-value - commodities and products
- Ensuring sustainable management and conservation of water, land and forests
- Improving policies and facilitating institutional innovation

Source: CGIAR 2008.

Through supporting the activities of CGIAR group, Finland contributes to ecologically sustainable development and the mitigation of climate change.

3.8.1 Center for International Forest Research (CIFOR)

CIFOR is a nonprofit, global facility, established in 1992. It seeks to help policy makers and practitioners to shape effective policy, improve the management of tropical forests and address the needs of forest-dependent people through research and expert analysis. Research Themes include: climate change mitigation and adaptation, improved livelihoods, conservation and development trade-offs, globalised trade and investment and production forests. In its research work, CIFOR embraces a multi-disciplinary approach that considers the underlying drivers of deforestation and degradation which often lie outside the forestry sector: forces such as agriculture, infrastructure development, trade and investment policies and law enforcement.

The CIFOR Strategy 2008–2012 lists ‘enhancing the role of the forests in climate mitigation’ as a priority research domain (CIFOR 2008). Within this domain, CIFOR intends to carry out research into the following themes: 1) procedures and best practices for establishing and managing carbon stocks in tropical forest landscapes; 2) identification of policies, governance, conditions and payment mechanisms that lead to effective implementation of REDD schemes; and 3) political economy and barriers to the adaptation of policies for an efficient, effective and equitable REDD regime.

3.8.2 World Agroforestry Center (ICRAF)

ICRAF was established in 1978 to promote agroforestry research in developing countries. During the 1980s ICRAF operated as an information council focused on Africa. It joined the CGIAR in 1991 to conduct strategic research on agroforestry at a global scale. At the end of the 1990s, the Centre formally adopted an integrated natural resource management framework for all of its work, and institutionalized its commitment to impact by creating a Development Group dedicated to moving research results onto farmers' fields (ICRAF 2009).

The work of ICRAF is organized around six research priorities, including (i) domestication, utilization and conservation of superior agroforestry germplasm, (ii) maximizing on-farm productivity of trees and agroforestry systems, (iii) improving Tree Product Marketing for Smallholders, (iv) reducing land health risks and targeting agroforestry interventions to enhance land productivity and food availability, (v) improving the ability of farmers, ecosystems, and governments to cope with climate change, and (vi) developing policies and incentives for multi-functional landscapes with trees that provide environmental services.

According to the ICRAF's Strategy for 2008–2015, one of the global research priorities for the period is 'improving the ability of farmers, ecosystems and governance to cope with climate change' (ICRAF 2008). Specific areas to be considered for research include: vulnerability assessment; the impact of climate change on agroforestry systems; adaptation to climate change; and synergies in agroforestry systems between climate change adaptation and mitigation.

3.9 International Tropical Timber Organization (ITTO)

As the first International Tropical Timber Agreement (ITTA) was being negotiated in the early 1980s, concern over the fate of tropical forests was increasing. By then, conservation had become at least as important a consideration in the negotiations as trade. The ITTA was adopted in November 1983 and entered into force in April 1985. The importance of conservation was reflected in the preamble to the Agreement, in which conservation and trade were accorded equal importance (ITTO 2009a). The ITTA was adopted in January 1994 and entered into force in January 1997. Later, in 2007 it was extended indefinitely.

The new agreement included the ITTO Objective 2000 for achieving exports of tropical timber and timber products from sustainably managed sources by the year 2000. The Agreement also refers in its preamble to the UNFCCC and the three objectives set out in Article 1, which includes elements related to the role of forestry in mitigation of and adaptation to climate change; forest values other than timber; new financial resources, reforestation, forest management and rehabilitation of degraded land. Thus, the ITTA 1994 explicitly allowed the implementation of activities impact-

ing on/related to/relevant to climate change, particularly those concerned with the sustainable management of tropical production and protection forests, the restoration of degraded forests and the rehabilitation of degraded forests (UNCTAD 1994).

On 18th December 2009, Bulgaria, the Czech Republic, Finland, Germany, Ireland, Lithuania, Portugal, Romania, Slovakia, Slovenia and Spain indicated their support for the ITTA 2006 at the UN headquarters in New York. The successor agreement of ITTA 1994 was adopted in 2006 but it hasn't entered into force pending ratification by a certain proportion of major exporting and importing countries. By November 2009, 48 members had signed the Agreement, of which 27 had ratified. ITTA 2006 aims to improve the management of forests in tropical countries by, inter alia, promoting tropical timber and timber product exports from sustainably managed sources (UN2006).

ITTA established the ITTO, to provide a framework for tropical timber producer and consumer countries to discuss and develop policies on issues relating to international trade in, and utilization of, tropical timber and the sustainable management of its resource base. ITTO is an intergovernmental organization promoting the conservation and sustainable management, use and trade of tropical forest resources. It has 60 members, including the European Community (EC), which are divided into Producer countries (33 members) and Consumer countries (27 members). Its members represent about 80% of the world's tropical forests and 90% of the global tropical timber trade (ITTO 2009a).

The International Tropical Timber Council (ITTC) is the governing body of ITTO. The most recent ITTC meeting, ITTC-45, was held in November 2009 in Japan. Some of the issues discussed in the meeting included the current status of implementation of the ITTO's Thematic Programmes, including on Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests (REDDES), and on Tropical Forest Law Enforcement, Governance and Trade (TFLET).

In the field of reforestation and forest management, ITTO is concerned primarily with the sustainable management of the natural forest resource base for tropical timber. According to the organization, urgent attention should be given to securing extent and productive potential of natural forest resources and their sustainable management. Secondary forests and industrial timber plantations are, however, increasingly important components of the Permanent Forest Estate, which comprises three categories of forest: protection forests on fragile lands, forests set aside for plant and animal and ecosystem conservation, and production forests (ITTO 2008).

The ITTO Action Plan 2008–2011 (ITTO 2008) identifies the need to monitor the potential implications of the management of the forest resource base to climate change and the relevance and appropriateness of policy developments in the field of climate change mitigation. In support of policy development to address forest-based

climate change mitigation and adaptation, the Action Plan also highlights the need to support an understanding of the impacts of the REDD mechanism on tropical forest development.

3.10 Global Environment Facility (GEF)

GEF is a partnership among 179 member governments in partnership with international institutions, NGOs, and the private sector. It was established in 1991 and today, it is the largest financier for global environmental protection (GEF 2007a). The UNDP, the UNEP, and the WB were the three initial partners implementing GEF projects. In 1994, at the Rio Earth Summit, the GEF was restructured and moved out of the WB system to become a permanent, separate institution. GEF is a financial mechanism of all the UN Framework Conventions. It is also the main instrument for Finland's multilateral environmental funding. Finnish support to GEF consists of funding and policy guidance (MFA 2008).

The work of GEF is strongly linked to the UN Millennium Declaration's Goal Seven: Environmental Sustainability (UN 2000). The GEF activities focus on six main areas: climate change, biodiversity, ozone depletion, international waters, persistent organic pollutants, and land degradation. In the field of climate change adaptation, GEF has a special Climate Change Fund. This fund is established under the Climate Convention to finance activities, programs and measures that are complementary to those funded by the resources allocated to the climate change focal area of the GEF and by bilateral and multilateral funding, in the areas of adaptation, energy, agriculture and forestry, among others. In terms of land degradation, GEF focuses on three production systems: agriculture, rangeland and forestry. In the latter, it promotes indigenous forest and woodland management systems.

3.11 International Union for Conservation of Nature (IUCN)

The IUCN supports scientific research, manages field projects and brings governments, NGOs, UN agencies, companies and local communities together to develop and implement policy, laws and best practices. The framework of work is provided by the IUCN Programme 2009–2012. It covers five thematic areas and ten global results: Climate Change, Biodiversity, Energy, Livelihoods and Green economy (IUCN 2009).

The IUCN promotes SFM and conservation and recognizes climate, livelihood and biodiversity benefits of forest ecosystems. It seeks to synergize forest-based climate change mitigation and adaptation efforts with ongoing efforts to reduce deforestation, enhance sustainable forest management, reduce poverty and protect biodiversity.

3.12 World Wide Fund for Nature (WWF)

The first WWF office was founded in 1961. WWF is an independent conservation organization with a long history; it has collaborated with several actors in the field of environment conservation throughout the decades.

WWF is working on several themes related to forests through its forest conservation Programme: deforestation, sustainable forestry, climate and forests, people and forests, and forests in landscape. It has set a 2020 zero net deforestation target to support and enhance the UNCBD's Forest Programme of Work. To achieve the target, WWF promotes various strategies, including REDD, integrated land-use policies, protection and sustainable management of forests, and reforestation and afforestation. In the field of SFM, the organization promotes themes such as illegal logging and certification of forests.

WWF's Forest Carbon Initiative aims to make the role of forests in mitigating climate change a central part of the global climate solution (WWF c.a.). It works to advance global policy framework for REDD and on implementing REDD on the ground to ensure the technologies to measure and monitor forest emissions are available to produce real and verifiable reductions (WWF 2009a).

3.13 World Forestry Congress (WFC)

The Congress serves as a forum for governments, universities, civil society and the private sector to exchange views and experiences and to formulate recommendations to be implemented at the national, regional and global levels. The history of WFCs is long (Box 6).

The WFC provides an opportunity to present an overview of the state of forests and forestry in order to discern trends, adapt policies and raise awareness among decision and policy makers, the public and other stakeholders. It has advisory rather than executive functions. The outcomes are brought to the attention of the FAO Conference which may consider endorsing, through a resolution, any declaration emanating from the Congress. FAO participates in the WFC's organization, although the main responsibility lies with the host country. The Organization proposes an advisory committee of experts and designates technical secretaries. The functions of the latter include review of submitted papers and the servicing of WFC sessions.

Box 6 History of the world forestry congress.

- 1926– I WFC Rome, Italy
- 1936– II WFC Budapest, Hungary
- 1949– III WFC, Helsinki, Finland (recommended the organization of a future Congress with a special focus on tropical forests)

- 1954– IV WFC, Dehra-Dun, India (addressed the role and importance of forest zones in economic development)
- 1960– V WFC Seattle, US (addressed the multiple uses of forests)
- 1966– VI WFC Madrid, Spain (considered the role of forestry in world economic development)
- 1972– VII WFC Buenos Aires, Argentina (discussed forests and socioeconomic development)
- 1978– VIII WFC Indonesia (“Forests for People”, discussions focused on ways forestry activity might best serve people, individually and collectively)
- 1985– IX WFC Mexico City, Mexico (“Forest Resources in the Integral Development of Society”)
- 1991– X WFC Paris, France (“Forests, a Heritage for the Future”)
- 1997– XI WFC Antalya, Turkey (“Forestry for Sustainable Development: Towards the Twenty-first century”)
- 2003– XII WFC Quebec, Canada (“Forests, Source of Life”)
- 2009– XIII WFC Buenos Aires, Argentina (“Forests in Development: a Vital Balance”)

Source: WFC 2009a.

The 13th World Forestry Congress, themed “Forests in Development: a Vital Balance” and co-organized by FAO and the Government of Argentina, was held in 18–23 October 2009 in Buenos Aires, Argentina. The Declaration of the WFC 2009, which was produced during the Congress, contains nine findings and highlights 27 strategic actions (Box 7).

Box 7 Actions of the declaration of the WFC 2009.

- Multi-sectoral responses to major external pressures from the forest sector;
- Incorporation of local and indigenous knowledge and a strengthened interface between forest knowledge and society;
- Financial incentives for landowners and communities to manage forests for multiple values, both environmental and economic;
- Recognition of the importance of planted forests and of restoring degraded lands;
- Sustainable energy supply and development of energy forests which minimize the risks of unintended consequences across forest, agriculture and energy sectors;
- Immediate confrontation of climate change impacts via inputs to climate change negotiations, simplification of afforestation and reforestation rules in the Clean Development Mechanism (CDM) and implementation of REDD+;
- Advocacy of the importance of forests in meeting local needs to adaptation to climate change;
- Protection and restoration of fragile ecosystems, including efforts to combat desertification through forestry;
- Creating enabling environments for the forest industry and expand research on new clean technologies and forest products;
- Forest-related policies to be adapted to rapid global change;
- Good governance and strengthened capacity of forestry institutions to enforce laws and regulations;
- Secure tenure rights;

- Increased recognition of women’s role in the forestry sector;
- Improved working conditions in the forest sector; and
- Creative financing strategies

Source: WFC 2009b.

3.14 World Forest Day

The first Forest Day was organized in Bali, Indonesia, on 8th December 2007 in parallel with the COP13 to the UNFCCC to highlight issues related to forests under negotiation at COP13. The discussions covered variety of themes, including methodological challenges in estimating forest carbon, markets and governance, equity versus efficiency and adaptation.

The Second Forest Day, organized during the COP14 to the UNFCCC, was held in Poznan, Poland, on 6th December 2008. The attracted around 900 interested participants. Discussions covered themes such as adaptation of forests to climate change, addressing forest degradation through SFM, capacity building for REDD, and options for integrating REDD into the global climate regime. A drafting committee representing CPF members produced a summary of key messages and forwarded it to the UNFCCC Secretariat.

The Third Forest Day event was held in Copenhagen, Denmark, on 13th December 2009, in parallel with the UN Copenhagen Climate Change Conference, held from 7–18 December 2009. The Day was co-hosted by CIFOR, the Government of Denmark and the CPF. All together 1600 government negotiators, researchers, representatives from NGOs, indigenous peoples’ organizations and private sector took part in the event.

The hot topic during the Forest Day was the REDD scheme. Discussions evolved around themes such as social effects of REDD initiatives, measuring, monitoring and leakage, financing for forests and climate change adaptation and mitigation, degradation and biodiversity, effects of climate change on boreal and temperate forests, and governance and institutional capacity for adaptation and mitigation. At the end of the Day, a summary statement was developed based on participants’ responses to a series of questions posed to the subplenary sessions, and was presented to the UNFCCC. Participants support to the inclusion of REDD+ (including conservation, sustainable forest management and stock enhancement)” in the climate change agreement was clearly indicated in the statement.

4 CURRENT ISSUES IN THE GLOBAL FORESTRY AGENDA

4.1 Forest Governance

Forest Governance is an underlying key issue that affects the other issues in the global forestry agenda. The lack of robust institutional and regulatory frameworks, trained personnel, and secure land tenure has constrained the effectiveness of forest management in many developing countries (Tacconi, Broscolo & Brack 2003).

Strong and motivated government institutions and public support are key factors in implementing effective forest policies. Many factors influence the efficacy of forest policies in achieving intended impacts on forest land-use, including land tenure, institutional and regulatory capacity of governments, the financial competitiveness of forestry as a land use, and a society's cultural relationship to forests. There are broadly three major barriers to enacting effective policies to reduce forest loss (Box 8).

Box 8 Barriers to reducing forest loss.

- Profitability incentives often run counter to forest conservation and sustainable forest management (Tacconi Broscolo & Brack 2003)
- Many direct and indirect drivers of deforestation lie outside of the forest sector, especially in agricultural policies and markets (Wunder 2004 cit. Nabuurs *et al* 2007)
- Limited regulatory and institutional capacity and insufficient resources constrain the ability of many governments to implement forest and related sectoral policies on the ground (Tacconi Broscolo & Brack 2003).

Source: Nabuurs *et al* 2007.

It is encouraging, though, that forest governance issues are gaining more and more attention in the international agenda. At the recently held World Forestry Congress 2009, the Ministers of Environment and Agriculture also agreed that land administration issues are a key when delimiting functional areas for conservation and production. This is important also from the point of view of the REDD initiative. It is recognized that without secure land rights indigenous people have no guarantees that they will receive any form of REDD incentive. In addition, state's role in forest protection, conservation and promoting of SFM was recognized.

According to ITTO (2008), one of the prerequisites for REDD to work is that all forest-related issues, which in some cases are competing, are addressed. Especially important are the governance issues such as bad planning, lack of law enforcement, illegal logging, lack of land tenure, lack of accountability and lack of capacity of institutions to manage forests sustainably. These issues should be addressed at global, national, sub-national and local levels and they need to be coordinated with other sectors because governance challenges cannot be addressed solely by any centralized au-

thority, the Conference of the Parties of the UNFCCC, its Secretariat or its supporting bodies.

In order to achieve SFM, the problem of “no-man’s forests” needs to be solved. If governments don’t have the required capabilities to manage their forests, privatization and community forestry are alternatives. One problem is that forests don’t have a value until they are cut down and processed. If forests were valued as such, their destruction might slow down by itself. According to Marshall (2006), a fair trade in non-timber forest products could help millions of people out of poverty. Rural livelihood policies should go beyond narrow focus on one sector only (agriculture, forestry, livestock) and instead, they should support NTFP activities as part of diversified livelihood strategies. Another solution is Voluntary Certification Systems that can provide market-based solutions to the undersupply of social and environmental goods and services. The issue of giving value to standing forests is one of the key problems waiting for a solution by the global community.

The International Institute for Environment and Development (IIED) (IIED 2009) also discusses the problem of governance issues. According to the Institute, most of the world’s forest resources are still government controlled and most of the governments controlling these resources don’t have sufficient capacities, resources and knowledge to govern in a sustainable way. The IIED notes that forestry can and must do more for local development and poverty reduction. Locally controlled forestry is a viable option. This means decision-making by smallholders, community groups, forest-dependent people and other local groupings for managing or growing forest resources and running small enterprises based on them. This requires both secure tenure rights and legislation, which enables local communities to defend themselves.

4.2 Forests and Climate Change

Forests are very current in the global climate change agenda and they have waded into the heart of UN climate talks. Following the COP11 in November 2005 in Montreal, UNFCCC is paying increased attention to forests. Important impetuses have been launch of the Bali Action Plan in 2007 (UNFCCC 2007), including element on REDD, and the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) released in 2007 (Abdelkader *et al* 2007), which has entire volume dedicated to forests. In addition, UNCBD adopted a decision on biodiversity and climate change in 2008 (UNCBD 2008a). The decision called for promotion of synergies among the Rio Conventions through different activities including integrating biodiversity, climate change and desertification/land degradation issues in forest sector planning and involving focal points from the UNFF and other relevant conventions in discussions.

FAO’s Assistant Director-General for Forestry, Jan Heino, recently said in a Conference “Facing the challenge – change in forests and the forestry sector” organized by the Conference of the European Economic and Social Committee (EESC) in Joen-

suu, Finland, in September 2009: “Without actions in forestry, it is unlikely that global climate change mitigation efforts will be successful in the short term. European countries are playing a lead role in the international climate change negotiations. While most of the attention is on a proposed incentive mechanism for REDD in developing countries, the outcome of discussions on carbon accounting for harvested wood products and for forest management in the post-Kyoto period may provide additional incentives for SFM in Europe and affect the way we use and manage our forests. SFM has a significant strategic role in achieving long-term climate change mitigation and it provides a strong but flexible framework for effective adaptation”.

According to calculations by Nicholas Stern, chair of the Grantham Research Institute on Climate Change and the Environment and IG Patel professor of economics and government at the London School of Economics and Political Science, to have a reasonable chance of cost-effectively limiting a rise in global average temperature to no more than 2°C, beyond which scientists regard as “dangerous” to go, annual emissions must be reduced to below 44bn tons by 2020, well below 35bn tons in 2030 and well below 20bn tons by 2050. For rich countries, this will require a cut in annual emissions by at least 80% by 2050. Mr. Stern sees tackling deforestation as one solution to cut down the global total.

It is recognized that forest ecosystems are already being affected by the climate change and these effects will grow even stronger in the future. The big question is how forest ecosystems will react. According to the GFEP’s first Assessment Report “Adaptation of Forests and People to Climate Change” (Seppälä *et al* 2009), the carbon-regulating services of forests are at risk of loss in case of global warming of 2.5°C relative to pre-industrial levels. They might lose their ability to sequester carbon when the temperatures rise and even turn into sources of carbon rather than fluxes. The Report presents four scenario clusters for future climate change projections (Box 9).

Box 9 Scenario clusters for future climate change projections.

Unavoidable: freeze of CO₂ concentrations at 2000 level.

Stable: at the end of the century approaching stabilization (new equilibrium) of CO₂ concentrations. Forests can adapt but with altered species composition and changes in productivity.

Growth: towards the end of the century emissions grow 1%/y (growth rate in the 1990s). Forests face major difficulties in adaptation.

Fast growth: CO₂ emissions grow 3%/y (current situation). Forests face major difficulties in adaptation.

Source: Seppälä *et al* 2009.

According to the IPCC report (Nabuurs *et al.* 2007), forest-related mitigation activities can considerably reduce emissions from sources and increase CO₂ removals by

sinks at low costs, and can be designed to create synergies with adaptation and sustainable development. About 65% of the total mitigation potential (up to 100 US\$/tCO₂-eq) is located in the tropics and about 50% of the total could be achieved by reducing emissions from deforestation. In addition, the carbon mitigation potentials from reducing deforestation, forest management, afforestation, and agro-forestry differ greatly by activity, regions, system boundaries and the time horizon over which the options are compared. The IPCC report affirms that in the short term, the carbon mitigation benefits of reducing deforestation are greater than the benefits of afforestation. That is because deforestation is the single most important source, with a net loss of forest area between 2000 and 2005 of 7.3 million ha/yr (FAO 2006).

GFEP sees SFM as an effective means of adaptation to climate change but according to its Report, reduction of emission is the only effective way to avoid degradation of forest resources. This is because adaptive capacity of many forests will decrease in the long run if nothing is done to reduce emissions. The Report also recognizes the importance of considering human-institutional dimensions of adaptation measures instead of sole technical solutions and embraces good governance to enable participation by different stakeholders.

The CPF has produced a Strategic Framework for Forests and Climate Change, presented at COP14 for UNFCCC in 2008, which aims to lay the groundwork for a coordinated response from the forest sector to global climate change (See box 10). The key messages of the Framework include, for example, recognition of SMF as an effective means for climate change mitigation and adaptation, inter-sectoral and economic incentives, and provision of alternative livelihoods as essential part of reducing deforestation and forest degradation. The framework also calls for capacity building and governance reforms.

Box 10 Six core messages addressed to the climate change negotiators by the strategic framework of collaborative partnership on forests (CPF).

Message 1: SFM provides an effective framework for mitigation and adaptation.

SFM is a robust framework for addressing mitigation and adaptation.

Forests are more than carbon (productive, protective, social functions of forests).

Forest products and services are essential to life.

Message 2: Mitigation and adaptation measures should proceed concurrently.

Objectives of forest mitigation and forest adaptation are interlinked.

Policy approaches should address the needs of poor people.

Message 3: Inter-sectoral collaboration, economic incentives & alternative livelihoods needed to reduce deforestation and forest degradation.

Increased revenues and jobs in forestry are good alternatives to forest conversion. Integrate REDD and SFM into national development strategies, land-use planning and national forest programmes is thus important. REDD can provide start-up funds, help to ensure sustainable financing of SFM and help to coordinate at all levels.

Message 4: Capacity-building and governance reforms are urgently required CPF members engage in building capacities to integrate forest based mitigation and adaptation in SFM and help to clear rights, secure tenure, good governance in the forest sector and benefit sharing.

Message 5: Accurate forest monitoring helps decision-making but requires coordination. Coordination efforts are needed in order to

Monitor carbon as part of current systems, gather information on a cost-effective basis, strengthen data on deforestation and degradation, use remote sensing to complement efforts, improve collaboration.

Message 6: CPF members are committed to collaborative and comprehensive approach. CPF supports countries to

Incorporate climate change issues into NFPs, build capacity to achieve SFM, enhance adaptation while protecting livelihoods, develop integrated policy approaches, enhance forest monitoring and assessment, improve science-policy interface, secure financing and investment, work with other sectors.

Source: CPF 2008b.

The central role of forests in climate talks is also demonstrated through FAO's Forestry Commissions: all six Regional Forestry Commission meetings convened in 2008 by FAO addressed climate change and SFM issues. They recommended a number of points for international and national action (Box 11).

Box 11 Recommendations for international and national action by the regional forestry commissions.

- Integrate policies and strategies on climate change mitigation and adaptation into national forest programmes;
- Develop tools to ensure that other ecosystem services (not just forest carbon) and livelihood benefits are taken into consideration in REDD strategies;
- Provide technical assistance and strengthen country capacity in applying the principles of SFM to climate change mitigation and adaptation, carrying out forest inventories, monitoring carbon stocks, developing carbon projects and accessing carbon markets;
- Enhance regional dialogue, development of unified positions and collaboration on climate change mitigation and adaptation;
- Support the development of common terminology, standards and methodologies for monitoring, assessment and reporting on forests and climate change;
- Establish mechanisms to provide information and facilitate exchange of information on forests and climate change; and
- Harmonize climate change commitments with other forest-related international conventions and agreements.

Source: COFO 2009c.

For COFO's 19th session, held in March 2009, FAO was requested by both the African Forestry and Wildlife Commission (AFWC) and the Near East Forestry Com-

mission (NEFC) to increase assistance to member countries to build their national capacities to manage forests with particular reference to climate change and NFPs. Also the Asia-Pacific Forestry Commission (APFC) drew COFO's attention to the critical issue of climate change. It highlighted the urgent need to strengthen country capacities to deal with the complexities of climate change issues. The North America Forest Commission (NAFC) recommended that COFO would give attention to forests and climate change, including the role of forests and trees in mitigating climate change, and even more critically the need for forest ecosystems to adapt to climate change. It also stressed the importance of integrated approaches to monitoring, assessing and reporting on complex forces related to climate change that affect forest ecosystems (COFO 2009b). The European Forestry Commission (EFC) brought to the attention of COFO that in addition to the critical role that forests play in climate change mitigation, it is important to improve the understanding of the impact of climate change on forests. This is an important issue not only in Europe but also in other regions of the world.

The year 2009 was especially important in the international effort to address climate change because of the COP15 in Copenhagen, 7–18 December 2009. One of the key issues in Copenhagen was, among others, decision for both Annex I and Annex II countries on how forestry will be dealt with in the post 2012 climate arrangement. It was already recognized in the UN Summit on Climate Change in New York, in September 2009, that effective actions to reduce emissions are needed and that forests must be part of the Copenhagen deal.

The World Forestry Congress 2009, produced an important message (Box 7) from the organizers to the COP15 calling for urgent action on, inter alia, the promotion of SFM, recognition that forests are more than just carbon, the need to address climate change mitigation and adaptation concurrently, the improvement of monitoring and assessment techniques, as well as inter-sectoral cooperation (WFC 2009b). In addition, the UN Economic Commission for Europe (UNECE) urged COP15 to consider carbon sequestration in harvested wood products as a contribution to the mitigation of climate change.

The Draft Accord of COP15 (UNFCCC 2009c) refers to forests and climate change by recognizing the role of reducing emission from deforestation and forest degradation and the need to enhance removals of greenhouse gas emission by forests and the need to provide positive incentives to such actions through the immediate establishment of a mechanism including REDD-plus plus to enable the mobilization of financial resources from developed countries. The Accord also promises new and additional funding to developing countries to enable and support enhanced action on mitigation, including substantial finance to REDD-plus, adaptation, technology development and transfer and capacity-building, for enhanced implementation of the Convention. It was also decided that a Copenhagen Green Climate Fund shall be established as an operating entity of the financial mechanism of the Convention to support projects, programmes, policies and other activities in developing countries related to

mitigation including REDD-plus, adaptation, capacity-building, technology development and transfer. The Accord establishes four new bodies: a mechanism on REDD-plus, a High-Level Panel under the COP to study the implementation of financing provisions, the Copenhagen Green Climate Fund and a Technology Mechanism.

Despite high hopes, the results of the COP15 weren't satisfying to all as mentioned before (in chapter 3.1). The Accord was strongly rejected by several parties, including Tuvalu, Bolivia, Sudan and Saudi Arabia, and many NGOs and environmentalists worldwide claimed that the final draft of the accord on reducing carbon emissions from deforestation has been stripped of any real protection for natural forests or indigenous, forest adjacent peoples. In addition, the previous objective for reducing deforestation by at least 50 per cent by 2020, which had been part of the earlier "pre-Copenhagen" draft of the REDD agreement, had now been removed.

4.2.1 LULUCF and Afforestation and Reforestation (A/R)

Land-use sector, including forestry and agriculture, is a notable source of anthropogenic Greenhouse Gas (GHG) emissions. At the same time it has potential in climate change mitigation. According to Robledo and Blaser (2008), the Land-Use, Land-Use Change and Forestry (LULUCF) activities are important not only from a climate change perspective but also, because they cut across a number of economic and development sectors, in light of wider development policies, including food security, energy generation and wood production.

Under the Kyoto Protocol, Annex I Parties agreed to quantified emission limitation and reduction objectives. LULUCF activities are eligible for achieving these objectives. Possible LULUCF activities are included in two paragraphs of the Article 3 of the Kyoto Protocol, with different methodological and reporting treatments: Article 3.3 refers to afforestation, reforestation and deforestation, mandatory for all Annex I Parties, Article 3.4 refers to additional voluntary activities related to changes in GHG emissions by sources and removals by sinks in the agricultural soils and land-use change and forestry (UNFCCC 1997).

These provisions forced Parties to consider in more detail what activities qualified for reporting and as measures to achieve targets and under which reporting requirements. As a consequence, an IPCC Special Report on LULUCF was published in 2000. It examines how carbon flows between the atmosphere and the five different "pools" (above-ground biomass, below-ground biomass, litter, dead wood and soil organic carbon) and carbon stocks change over time (IPCC 2000). In 2001, at COP7 in Marrakech it was decided that LULUCF project activities under the CDM continue to be limited to afforestation and reforestation (A/R; UNFCCC 2002A).

A/R projects were finally admitted for credits in the CDM in 2003, but with specific rules which differ from those for all other CDM credits. The A/R rules are complex but, in effect, credits have to be verified every five years. If the trees are not still

standing, then the credits are no longer valid and replacements must be purchased. By contrast, all other credits under the CDM are valid in perpetuity once issued. As a result, A/R credits trade at significantly lower values per ton of CO₂ than other 'permanent' credits.

Forest sector stakeholders in non-Annex I Parties have been able to undertake A/R CDM projects only since 2005. Considering the limited experience in A/R CDM it is difficult to make an accurate evaluation of its impacts on poverty alleviation or in terms of net contribution within the global mitigation portfolio. However, according to Robledo and Blaser (2008) it can be observed that A/R CDM has stimulated new interest for planting trees, especially in seriously degraded areas. A/R CDM offers a possibility for poor people to get involved, particularly through community forestry. Although this could have an important developmental impact in rural areas, small-scale A/R projects have so far proven to be largely out of reach for local communities, given the complexity in the design of the project, legal requirements in respect to property rights on land, carbon pools and carbon credits and the transaction costs involved in project preparation.

At the Bonn meetings in August 2009, the spin-off group on LULUCF focused on eligibility of LULUCF activities under the CDM, including: A/R; REDD; restoration of wetlands; SFM or land management activities; soil carbon management; and revegetation, forest, cropland and grazing land management. At the subsequent Bangkok meetings, no interventions were made on LULUCF rules under the CDM but the text referring to the mechanisms to address the issue of permanence was rearranged slightly, grouping the menu of mechanisms under one single option (UNFCCC 2009a).

No consensus on what activities to deem eligible under LULUCF -mechanism for the subsequent commitment periods have been reached. Some Parties have suggested only considering A/R, while others highlight a broader scope of eligible LULUCF activities, which would provide an opportunity to improve the geographical distribution of the CDM.

4.2.2 REDD - mechanism

Forests play an important role as a potential carbon stock through avoided deforestation and conservation of forest resources, which, the first commitment period of the Kyoto Protocol excluded from the CDM. Now, the mechanism proposed for including avoided deforestation into climate change deal is the REDD. It would allow for example forest preservation to qualify for CDM project status.

The talks on REDD in developing countries began at COP11, 2005, continuing through technical discussions on emissions estimation and identification of drivers of deforestation. Finally, REDD discussions formed a process of the Bali Action Plan in 2007, which was endorsed by the climate change policy makers. The process

considers policy approaches and positive incentives relating to REDD and the role of conservation, sustainable management of forests, and enhancement of forest carbon stocks in developing countries (UNFCCC 2007).

UN-REDD is a collaborative Programme launched jointly in mid 2008 by FAO, UNDP and UNEP. The three donor countries are Denmark, Norway and Spain. It has two components: (i) assisting developing countries to prepare and implement national REDD strategies and mechanisms; and (ii) supporting the development of normative solutions and standardized approaches based on sound science for REDD instruments linked with the UNFCCC. The program will help empower countries to manage their REDD processes and facilitate access to financial and technical assistance tailored to their specific needs. So far, six of the program's nine member countries—the Democratic Republic of the Congo, Indonesia, Papua New Guinea, Panama, Tanzania and Vietnam—have seen their national programmes approved by the UN-REDD program, for a total financing of USD 24 million.

The term REDD+ was introduced after various forest mitigation options under the Bali Action Plan. The Bali Action Plan's wording on REDD+ is: "Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries" (UNFCCC 2007). During the Subsidiary Body for Scientific and Technological Advice (SBSTA) climate talk meeting in June 2009, some countries are also including agriculture in the REDD+ concept. In terms of forestry the term REDD+ allows addressing mitigation to climate change using all activities included in the framework of sustainable forest management.

One of the controversial questions related to REDD+ plus is what activities should or should not be eligible for incentives under the instrument. In addition, there are signs that the lack of a common understanding of the terms "Sustainable Management of Forests" and "Sustainable Forest Management" is confusing the debate. Many Parties to UNFCCC are seeking a comprehensive scope for REDD+ in order to maximize potential GHG emissions reductions and removals from forests, to enable all countries to eventually participate in a REDD+ instrument, and to avoid carbon leakage. A number of Parties, however, seek a restricted scope for REDD+, one that exempts forests managed for commercial timber production, concerned that REDD+ might subsidize industrial-scale timber extraction at the expense of small-scale local enterprise or non-timber forest values, such as biodiversity (FAO 2009c).

The most recent talks on REDD were conducted during the last half of 2009 at meetings in Bonn in August, in Bangkok in October and in Copenhagen in December. In Bonn, parties agreed to consider the objectives and scope of REDD+, financing for readiness activities, financing for full implementation, national reference levels, and sub-national REDD+ actions. Regarding financing for the readiness activities phase, there were two sets of opinions. Several Parties called for a three-phased approach to

REDD+ that would move it from a fund-based to a market mechanism. Others suggested breaking the discussion into what will be financed by the fund first, and then focus on where finances will come from.

In Bangkok, the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) Chair noted the need to define a mechanism for enabling support and incentives for REDD+. The focus was on consolidating text on means of implementation; financing for full implementation; and on monitoring, reporting and verification. Several Parties seemed to agree that the basis of REDD+ should be created in Copenhagen, and details addressed in future meetings. The agriculture sectors mitigation potential, and co-benefits for food security were emphasized by several Parties. In Bangkok, REDD –negotiations also faced a new challenge as EU refused the proposed provision: “...safeguards against the conversion of natural forests to forest plantations” in the negotiating text. This would be an important safeguard to protect forests from turning into palm oil plantation on the guise of REDD action. At the final REDD negotiating session, Brazil, India, other G-77 parties, and Mexico, Switzerland and Norway requested that the safeguard be reinstated in text to be taken up at the Barcelona talks in November but the EU, supported by the Democratic Republic of the Congo speaking for Cameroon, Equatorial Guinea, and the Republic of the Congo, refused the reinstatement. Many developed countries, including the USA, were silent on the safeguard, but no other developed country blocked it.

REDD was examined in Copenhagen at COP15 for UNFCCC in a REDD sub-group established under the AWG-LCA. As a result of negotiation, all parties agreed to referencing the UN declaration on the rights of indigenous peoples (UNDRIP). A draft decision on REDD was produced (UNFCCC 2009d) and presented to the COP plenary but negotiators were unable to make further progress on the text and the outstanding issues and it was announced that these issues would need to be resolved at the ministerial level. However, no substantial progress was made. Developing countries didn't want to commit to targets to reduce deforestation without firm commitments of financial support from developed countries.

All in all, there still remain several key questions on REDD, including: How REDD will be included in the post-2012 agreement? How can developing countries produce measurable and verifiable emissions reductions through REDD? How should REDD be financed? What is the appropriate scope of REDD (i.e. deforestation, forest degradation, soils, reforestation, etc.)? In addition, REDD has the potential to create substantial environmental, social and economic co-benefits. Approaches such as high conservation value forests, SFM, Systematic Conservation Planning, improved management and extensions of protected area systems should be discussed and integrated into national REDD programs.

One concern regarding REDD is that developed countries might buy their way out with carbon offsets from avoided deforestation in developing countries and continue

business as usual at home. Other major concern is the enormous monitoring effort needed in order to make sure projects are indeed leading to increased carbon storage. In addition, the position of indigenous people is a matter of concern and debate. In May 2008, at the United Nations Permanent Forum on Indigenous Issues (UNPFII), indigenous leaders from around the world protested against Clean Energy Mechanisms, especially against REDD.

Leakage is yet another concern: avoiding deforestation in one place could simply move the deforestation to other areas. According to IPCC (Nabuurs *et al* 2007) this may however change as countries begin to integrate climate change mitigation objectives more fully into national forestry policies. In addition, there are questions raised by some governments as to how much REDD should incorporate safeguards or benefits for broader forest values, such as biodiversity and livelihoods.

There is variety of proposals on source of financing for REDD from different governments, for example, including REDD in compliance carbon markets, voluntary donations by developed countries and funds to be raised by auctioning emission allowances to developed countries.

WWF sees REDD as a critical component of the overall GHG emission reductions goal. It emphasizes that the final text of the post-2012 agreement, has to include firm commitments from developed countries to provide financial and technical support to developing countries, including during the early phases of REDD. This is needed to provide an incentive for developing countries to participate, to ensure progression towards full implementation of REDD and to provide “payments” for the emission reductions achieved. WWF recognizes compliance carbon markets effective in later phases of REDD development but sees reliable and predictable public funding as critical funding source for the coming years. WWF also calls for transparent and independent processes for implementing REDD in both national and international-level verification regimes.

According to James Leape, Director General of WWF International, investors can play a key role in supporting REDD. However, the 2009 Forest Carbon Investor Survey, conducted by the Brunswick Group on behalf of the WWF Forest Carbon Initiative, found investors looking for initial public financing viable policy frameworks, and more certainty from both international agreements and national legislation, before private funds can be mobilized. Key milestones sought by investors are international agreement on climate change issues with support from major economies such as China and India, as well as the passage of USA. climate change legislation. A strong legislative framework in forest countries is seen as core to addressing problems of verification and monitoring that have hampered agreement on REDD in the past (WWF 2009b).

According to the Forest Carbon Investor Survey (WWF 2009b), more than one-third of investors expect a forest carbon market will evolve from a voluntary to a compli-

ance market over the next five to fifteen years if certain conditions for a market-based approach can be met. This will require action from governments, including public sector funding, to lay the foundation for the market and support efforts by forest nations to build legal and technical capacity for REDD.

Also IUCN supports the concept of REDD stressing that any REDD actions have to be based on good forest governance, SFM and need to be integrated into a broader post-2012 climate policy regime that secures deeper reductions of carbon emissions from the use of fossil fuels. In its REDD efforts it concentrates on exploring possibilities for integrating REDD strategies into ongoing efforts for improving forest governance and expanding sustainable forest management, it recognizes the need for financing mechanisms that can deliver possible benefits from REDD to the local forest dependent communities and emphasizes the need to secure the rights and land tenure of forest dependent communities and indigenous people if sustainable forest management is going to work at the local level and if the benefits for REDD are going to reach local forest stakeholders.

ITTO has initiated a new thematic Programme called Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forest (REDDES). The REDDES Programme is aimed at preventing and reducing the loss of environmental services from tropical forests due to deforestation and degradation. The REDDES Programme contributes to the implementation of the CPF Strategic Framework for Forests and Climate Change in those areas of assistance which are relevant to ITTO's work; i.e. (i) incorporating adaptation and mitigation in national forest programmes and other development strategies; (ii) building capacity for SFM and forest-based climate change mitigation and adaptation; (iii) enhancing the biophysical adaptation of forests to climate change while safeguarding the livelihoods of forest-dependent communities and small forest owners and protecting forest biodiversity and other essential forest services; (iv) reducing and eventually eliminating unsustainable forest activities; (v) enhancing capacity to design, monitor, verify and report on climate change mitigation and adaptation efforts; and (vi) exploring ways of securing international and national financing and private-sector investment (ITTO 2009b).

4.3 Deforestation and Forest Degradation

Deforestation can be defined for example in the following terms:

- Direct human-induced conversion of forested land to non-forested land (UNFCCC 2002b).
- The conversion of forest to another land use or the long-term reduction of the tree canopy cover below the minimum 10 percent threshold (FAO 2001).

There is not yet agreed definition on forest degradation under the UNFCCC. However, there are definitions by other instances, for example:

- Changes within the forest which negatively affect the structure or function of the stand or site, and thereby lower the capacity to supply products and/or services (FAO 2006).
- A direct human-induced loss of forest values (particularly carbon), likely to be characterized by a reduction of tree crown cover. Routine management from which crown cover will recover within the normal cycle of forest management operations is not included (ITTO 2005).

At the moment, deforestation is recognized as a global concern especially through its effects on climate change. However, it has far reaching implications to other issues as well, for example livelihoods of forest-dependent people, biodiversity, watershed management and so forth. Interestingly, although the rate of deforestation hasn't changed radically in the past few decades, the drivers of deforestation have. The change has been from mostly subsistence-driven through the 1980s to far more industrial-driven deforestation more recently (Rudel 2005). The private sector has gained ground through large-scale agriculture (crops, livestock and tree plantations) as the global financial markets and a worldwide commodity boom have created an attractive environment for it. The drivers, however, differ by continent; poverty and food insecurity leading in Africa, large scale commercial agriculture in Latin America and a mix of these in Asia. Expansion of agriculture to forested land is a direct cause of deforestation. In addition, there are several indirect causes, for example poverty, poor governance, high prices for agricultural commodities and policies that subsidize non-forest land use.

The significance of the intricate relationship between forests, deforestation, land degradation and climate change is reflected in the collaboration between UNCCD and UNFF. The NLBI, agreed by UNFF and subsequently adopted by the General Assembly in 2007, is a framework to address the drivers of deforestation and forest degradation at the national and international levels. It also contributes extensively to the realization of some of the objectives of UNCCD, in particular, through its GOFs.

For WWF there are several strategies that are all important in tackling deforestation. These include: REDD initiatives; integrated land-use policies and planning processes; Protection and sustainable management of forests; socially and environmentally responsible afforestation and reforestation; and Promoting responsible consumption and production of forest-related goods and agricultural commodities. Deforestation has to be tackled also in different levels, at national and global. Governments can develop and implement national programmes for REDD and they should also include climate change adaptation measures to reduce vulnerability of forest ecosystems and natural resources and integrate environmental and social safeguards into climate change mitigation and adaptation activities.

During the World Forestry Congress, 2009, Brazil, Argentina and Paraguay announced a joint plan to establish protected zones in the vast Atlantic Forest as part of an effort to halt deforestation by 2020. The Atlantic forest is one of the most endan-

gered forests in the world and home to numerous plant and animal species. The biggest threat to the forest has been clearing land for agriculture. In the Congress, FAO representative also reminded that Zero Deforestation by 2020 -objective is unrealistic, and that some of the agricultural expansion needed to feed increasing numbers of hungry people will occur at the expense of forests.

With its Zero Net Deforestation by 2020 target, WWF aims to help consolidate efforts to halt deforestation across various international initiatives, including the MDGs, UNCBD Programme of Work for Forests, UNFCCC, UNFF, CPF and UN-CCD, and to set a global benchmark against which the success of these efforts can be measured. It emphasizes that zero net deforestation has to be a collective target for both environmental and forest agencies as well as cross-sectoral policies such as agriculture, energy, finance and trade.

4.4 Sustainable Forest Management (SFM)

SFM is concept of holistic forest management. It includes not only sustainable timber production but also support to livelihoods and conservation of forest biodiversity. It addresses factors that influence in the background to the management of forests, for example, enabling policies, governance and financing. The UN General Assembly adopted following description of SFM in 2007:

- Sustainable forest management is a dynamic and evolving concept that aims to maintain and enhance the economic, social and environmental value of all types of forests, for the benefit of present and future generations (UN 2008).

ITTO's publication Status of Tropical Forest Management 2005 (ITTO 2006) concluded that, despite difficulties and some notable deficiencies, there has been significant progress towards SFM in the tropics since an initial survey by ITTO in 1988. According to the report, countries have established and are starting to implement revised forest policies that contain the basic elements conducive to SFM. However, the proportion of natural production forest under SFM is still very low, and SFM is distributed unevenly across the tropics and within countries.

The members of the CPF have agreed that SFM should be the cornerstone of the global forest community's response to climate change, complementing the forest sector's contribution to sustainable development and to achieving the MDGs. According to IPCC, SFM strategy aimed at maintaining or increasing forest carbon stocks in the long term, while producing an annual sustained yield of timber, fiber or energy from the forest, will generate the largest sustained mitigation benefits (Nabuurs *et al* 2007).

In the UNFF8, held in New York in May 2009, first global agreement on SFM was achieved (UNFF 2009b). The agreement emphasized the role of SFM in achieving the MDGs through poverty reduction and environmental sustainability, and in efforts of combating climate change, land degradation, soil and water conservation and sus-

tainable use of the biodiversity. The Forum also urged Member States to prioritize forest sector and pay attention to good governance and forest law enforcement which are critical to the successful implementation of SFM. The EU also praised SFM as an integral part of sustainable development and acknowledged NLBI and NFPs as appropriate actions to achieving it.

One of the key themes discussed during the Forum was financing for SFM. It was recognized that current financing is insufficient and more resources are needed for the implementation of the NLBI and the four GOFs. In the report of the Secretary General on Financing and other means of implementation of SFM (UNFF 2009c), it was recognized that there are serious gaps in ODA and external, private sector financial flows to forests, both geographically and thematically. The main gaps in Financing were listed as:

- Forests outside protected areas
- Management of natural tropical forests
- Restoration of degraded forest and land
- Reforestation and afforestation of drylands
- Upfront investment of SFM

It was also noted that without addressing these gaps and dedicating specific means and resources to SFM, it will be a serious challenge for many developing countries to effectively implement the forest instrument. However, delegates did not agree on a decision on financing for SFM and the negotiating text was moved to the next Forum to be held in 2011.

To shed light on financing issues for SFM, Member States adopted a decision on means of implementation of SFM, during a special session of the UNFF in October 2009. The decision launched two initiatives to catalyze funding for SFM. The Forum will establish an intergovernmental process to conduct in-depth analysis of all aspects of forest financing over the next four years. An intergovernmental ad hoc expert group will analyze existing financing strategies for SFM and explore ways to improve access to funds, including the option of establishing a voluntary global forest fund. The decision also launches a “facilitative process” on forest financing, to assist countries to mobilize funding from all sources. The facilitative process addresses the special needs of countries that have faced a 20-year decline in forest financing: Least Developed Countries (LDCs), Low Forest Cover Countries (LFCCs), high forest cover countries with low deforestation, low to medium income countries, Small Island Developing States (SIDS), and low income countries in Africa. The facilitative process has received immediate support, including for a first project on “Facilitating Financing for SFM in SIDS and LFCCs,” from the Government of the United Kingdom. This project will be implemented by the UNFF Secretariat as the first phase of a larger project with other phases to be financed by a large multilateral donor (IISD 2009).

In November 2009, UNCBD together with the IUCN published a good practice guide on sustainable forest management, biodiversity and livelihoods (UNCBD 2009a). The IIED (IIED 2009) calls for solutions that both avoid deforestation and reduce poverty. It sees potential in sustainable forest enterprise. As market demand for forest products grows and the need for local income remains pressing, small-scale, local and informal enterprises massive potential. However, this requires good governance policies and support for small-scale forest businesses. To secure local rights, profitability and responsible practice for these enterprises, the IIED co-manages the international alliance Forest Connect with FAO and a multi-institutional steering committee. It is funded by PROFOR with support from the FAO-Hosted NFP Facility.

During the climate change conference, COP15 in Copenhagen, the Secretariats of the CBD and the UNFF signed a Memorandum of Understanding (MoU) to strengthen joint actions to ensure that forests are sustainably managed. The MoU was developed based on a request that both secretariats received from their respective governing bodies.

4.5 Forest Biodiversity

Deforestation and degradation, in particular of tropical and sub-tropical forests, are major threats for the majority of the Earth's terrestrial and freshwater species. Tropical species populations declined by about 55 per cent between 1970 and 2003 (Hails *et al* 2008). The 4th Assessment of Europe's Environment concludes that the main pressures on biodiversity are urban sprawl, infrastructure development, acidification, eutrophication, desertification, overexploitation, and intensification of agriculture and land abandonment (EEA 2007). It is also recognized that fragile ecosystems, i.e. arid zones, small islands, wetlands, mountains, play an important role in biodiversity conservation. It is important to improve the resilience of these areas and promote their protection and restoration.

Decision on Forest Biodiversity adopted by the COP9 to the UNCBD in May 2008, recognized urgent need to strengthen the implementation of the Programme of Work on Forest Biodiversity to reach the 2010 biodiversity target and the 2010 target of the World Summit on Sustainable Development (World Summit 2002). These targets could be reached through SFM and the ecosystem approach and opportunities brought by the International Year of Biodiversity in 2010 and the International Year of Forests in 2011 to promote the conservation and sustainable use of forest biodiversity, and the fair and equitable sharing of the benefits arising out of the use of genetic resources and associated traditional knowledge (UNCBD 2008b). Human induced threats to forest biodiversity including, for example, forest fires, illegal land conversion and unsustainable use of forest products were raised as a matter of concern by the COP9. It also promoted SFM as a viable means for conserving biodiversity emphasizing, however, that obstacles like unsecured land tenure and resource rights have to be solved where they are barriers to achieve SFM.

In the COP9, IUCN promoted an ecosystem approach that integrates REDD, in coherence with both UNCBD and UNFCCC. It emphasized that the ecosystem approach should take account multiple functions and benefits of forests to biodiversity, local livelihoods and ecosystem functioning. UNCBD should work closely with the UNFCCC to ensure that the ecosystem approach is the basis of the REDD mechanism.

According to a Position Paper by WWF on COP9 (WWF 2008), REDD initiatives will, if effectively designed, clearly benefit biodiversity conservation and give UN-CBD Parties a new and powerful incentive to invest in forest conservation and SFM. The paper also calls for transparent and participatory landscape planning processes that are aimed at achieving an optimal distribution of natural forests, plantations, agricultural areas, urban areas and other land-uses in a given landscape. Integrated landscape approaches are also needed. In other words, land-use policies that integrate forest, agriculture and energy sector needs, aimed at maintaining the various critical values and benefits of forests – economic (wood production, biofuels, etc.), biodiversity (species and habitat protection, protected areas, etc.) and socio-environment (climate change mitigation, drinking water, non-timber forest products, etc.) – by initiating participatory landscape processes, such as the High Conservation Value (HCV) concept.

In a South-South-Exchange meeting on Conservation and Sustainable Use of Forest Biodiversity held in July 2009, intergovernmental regional organizations representing the world's three largest tropical forest regions (the Association of South-East Asian Nations – ASEAN, the Amazon Cooperation Treaty Organization – ACTO, and the Central Africa Forests Commission – COMIFAC) agreed to work more closely to enhance south-south cooperation in conserving and sustainably managing their tropical forests and biodiversity. The three regions – primarily Amazon, Congo and Borneo – collectively contain more than 80 per cent of the world's tropical forests, and an estimated two thirds of all terrestrial species (UNCBD 2009b).

In the World Forestry Congress 2009, Forests and Biodiversity thematic panel, William Jackson, Deputy Director-General of IUCN, observed that due to climate change, forests are again high on the international agenda. He said that REDD must embrace four principles to be effective: management as a matter of social choice; rights of local communities; making markets work; and resilience and restoration.

A recent guide, compiled by the German Development Cooperation and the UN-CBD Secretariat, on how REDD can simultaneously address climate change, biodiversity loss and poverty, identifies opportunities for synergies and mutual enhancement of the objectives of international agreements, particularly the UNFCCC and the UNCBD. It also provides background information on the linkages between ecosystem-based adaptation and mitigation measures (Von Scheliha Hecht & Christophersen 2009).

4.6 Bioenergy Production

As emissions need to be reduced to combat climate change market for bioenergy grows and new sources of energy are needed. This has created a worldwide demand for vegetable oils as biofuels. At its best, it is an economic opportunity for developing countries where most of the biofuels are produced. At its worst, however, large-scale plantations established for bioenergy production can have a detrimental effect on biodiversity and environmental conditions and cause livelihood difficulties for forest-dependent people who have even been evicted from their home lands. In some cases, biofuels are produced to combat climate change but in the production, large areas of forests are burned or logged releasing CO₂ into the atmosphere. For example, EU is committed in reducing its emission by 20% and this figure is based broadly on increasing use of biofuels and biomass.

In Annex I countries, socio-economic or environmental impacts regarding LULUCF activities or activities in other sectors are not ruled under the Kyoto Protocol. Furthermore, CDM projects outside A/R CDM do not need to take into account social impacts. According to Robledo and Blaser (2009) this means, for example, that many potential negative impacts of biofuel project activities on social systems are simply not considered, addressed or monitored. This is an issue of concern, especially when discussing the potential of biofuels for substitution. Because of these concerns, sustainability criteria are now called for biofuel production.

In the World Forestry Congress 2009, panel on the social and environmental impact of bioenergy production was held. In his presentation, Derek Byerlee from World Bank said that land use for first generation biofuels is accelerating rapidly, threatening forests through direct and indirect land use changes. He noted biofuels could be potentially important for livelihoods in poor countries and presented the case of oil palm production as the most profitable, efficient and fast-growing, but also most controversial feedstock for biodiesel. He noted that oil palm accounts for half of the forest conversion in Indonesia and suggested ways to better manage biofuel-forest conflicts, including by: improving governance of forestlands, reducing subsidies to non-sustainable biofuels, facilitating use of degraded lands, mapping land suitability for biofuel production, regularizing land rights to reduce transaction costs and implementing certification schemes and codes of conduct. Maria Michela Morese from the Global Bioenergy Partnership (GBEP), FAO, highlighted GBEP's role in providing a venue for dialogue and cooperation among countries and international organizations on the issue of bioenergy. She noted sustainability is one of GBEP's main focus areas, for which it is developing a set of C&I, as well as a methodology to assess GHG reductions of biofuels for transport and of solid biomass (WFC 2009b).

WWF (2008) urges parties to ensure that biofuel strategies are a part of a comprehensive energy policy, which, as a first priority, seeks to reduce energy and transport fuel demand and improve energy efficiency and, as a second priority, integrates biodiversity concerns; address the direct and indirect negative impacts from production and

consumption of bioenergy, have on forest ecosystems and people, and ensure that guidelines or standards for the production of bioenergy, in particular biofuels, take the negative impacts into account.

4.7 Air Pollution and Ozone Depletion

Thinning ozone layer leads to a number of serious health risks for humans. It causes greater incidences of skin cancer and cataract of the eye, with children being particularly vulnerable. There are also serious impacts for environment and biodiversity. Increased UV-B rays reduce levels of plankton in the oceans and subsequently diminish fish stocks. It can also have adverse effects on plant growth, thus reducing agricultural productivity (European Commission 2009). Climate change will influence the exposure of all living organisms to UV-B radiation via changes in cloudiness, precipitation and ice cover. In addition, there are indications that several reactions to UV-B radiation work more effectively at higher environmental temperatures. For instance, enhanced UV-B radiation together with high temperatures leads to faster degradation of wood and plastics, which has implications for the materials industry (UNEP 2008).

The issue of ozone depletion was first discussed by the Governing Council of the UNEP in 1976. A meeting of experts on the ozone layer was convened in 1977, after which UNEP and the World Meteorological Organization (WMO) set up the Coordinating Committee of the Ozone Layer (CCOL) to periodically assess ozone depletion. Initial inter-governmental negotiations for an international agreement to phase out ozone-depleting substances started in 1981 and led to the adoption of the Vienna Convention for the Protection of the Ozone Layer in March 1985. The Montreal Protocol on Substances that Deplete the Ozone Layer was adopted in September 1987. The Multilateral Fund for the Implementation of the Montreal Protocol is the primary component of the financial mechanism established under the London Amendment to the Protocol in June 1990. UNEP, UNDP and the World Bank implement programmes of the Fund and GEF in developing countries and in countries with economies in transition. In addition, the UN Industrial Development Organization (UNIDO) was included later as an additional implementing agency of the Fund (UNEP 2008).

According to GEF (2007b), Vienna Convention for the Protection of the Ozone Layer in 1985 and the Montreal Protocol on substances that deplete the ozone layer in 1987 have eventually led to the reduction of these damaging compounds entering the atmosphere by more than 90 percent. Phasing out Ozone-Depleting Substances (ODS) is a highly effective means for achieving immediate and future global environmental benefits. It is estimated that without the Montreal Protocol, by the year 2050 ozone depletion would have risen to at least 50% in the northern hemisphere's mid latitudes and 70% in the southern mid latitudes, about 10 times worse than current levels (UNEP 2008).

The 21st meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (MOP-21) took place in Egypt in November 2009. Background documents included UNEP's Environmental Effects Assessment Panel's (EEAP) Progress Report on Environmental Effects of Ozone Depletion and its Interactions with Climate Change (UNEP 2009). The EEAP informs the parties to the Montreal Protocol on issues like increased UV radiation and its effects on human health, animals, plants, biogeochemistry, air quality and materials. In addition, it analyzes interaction between UV radiation and climate change. The progress report's conclusions are summarized in box 12.

Box 12 Examples of conclusions on environmental effects of ozone depletion and its interactions with climate change by the environmental effects assessment panel (EEAP).

General Findings

- Long-term changes in surface UV irradiance vary geographically. In some cases, the response of surface UV radiation to the beginning of an ozone recovery is apparent, but in others UV radiation is still increasing.
- Stratospheric ozone is no longer decreasing, and is possibly increasing as a result of reductions in ozone depleting substances (ODSs), supporting the success of the Montreal Protocol. However, the continuance of this may be influenced by other factors.
- There has been an increased focus on interactions between ozone depletion and climate change, which can work in both directions: ozone depletion can induce changes in climate, and climate change can induce changes in ozone. Thus, a return of ozone to its value at any particular date should not necessarily be interpreted as a recovery of ozone from the effects of ozone depleting substances alone.
- A recent modeling study suggests that, in response to climate change, cloud cover will increase at high latitudes but will decrease at low latitudes. If this prediction is correct, then there could be important implications for human health, since UV radiation would increase at low latitudes, places where it is already high, but decrease at high latitudes where it is already low.
- Significant changes in the concentrations and the effects of tropospheric and stratospheric ozone are occurring in some locations and are predicted to occur in the future as a result of global climate change.

Findings in relation to Terrestrial and Marine ecosystems

- The large increases in UV-B radiation over the last four decades resulting from ozone depletion above Antarctic, and to lesser extent over Arctic regions may have consequences for ecosystems in these areas.
- In temperate regions, the effects of realistic enhancements of UV-B radiation on photosynthesis and growth of terrestrial plants are generally small.
- Significant progress has been made in the understanding of molecular mechanisms that control plant responses to UV-B radiation.
- UV-B induces changes in plant tissue that can modify biotic interactions.
- Decreases in the pH of marine waters resulting from increased concentrations of CO₂ in the atmosphere compromise the ability for protection of calcified marine organisms from solar UV-B radiation.

- The Combined effects of climate change and changes in UV radiations, due in part to changes in stratospheric ozone concentrations could greatly affect carbon cycling in terrestrial and aquatic ecosystems, and cause feedback to atmospheric CO₂ concentrations.
- Projected future shifts to warmer and dryer conditions in terrestrial ecosystems indicate that UV-induced CO₂ production from plant litter could become a major pathway for decomposition.
- Interactions between ozone depletion and climate change affecting biogeochemical cycles are particularly pronounced in the Southern Ocean.
- Enhanced input of dissolved organic matter (DOM) from land into aquatic systems due to climate change, coupled with UV-induced mineralization of DOM could result in enhanced release of CO₂ from aquatic systems.
- Penetration of solar radiation into wood is wavelength-dependent and correlates with the degradation depth profile.
- The Effectiveness of clear polyurethane coatings in controlling the UV-B-induced yellowing discoloration of wood has been demonstrated.

Source: UNEP 2009.

4.8 Illegal Logging

Conversion of forests to other land uses, illegal logging and increasing interest in the use of wood for generation of bio-energy pose serious threats to tropical forests, including biodiversity and livelihoods of people dependent of forest resources. Timber industries and further-processing facilities will continue to shift to countries that have tropical timber resources and/or comparative advantages in their operation. This trend is challenging many developing countries in trying to secure adequate supplies of raw material from sustainable and legal sources. One solution is investments in effective forest industries, which provide a crucial link between sustainably managed forests and international markets for forest products. In Addition, poverty alleviation and economic development can be enhanced through stronger support for small-scale and community-based forest enterprises (ITTO 2008).

The global awareness on detrimental effects of illegal timber trade has grown during the decades. It is now officially recognized that illegal logging and timber trade must be tackled as part of solution to avoid massive forest loss. Also public awareness and consumer responsibility have grown. According to ITTO (2008), in some markets international demand for legally and sustainably produced timber and timber products is growing, including certified products. Public and private timber procurement policies are also affecting some markets for tropical timber.

One of the key actors in the field of tropical timber trade is ITTO. The guiding objectives of its work are to promote the expansion and diversification of international trade in tropical timber from sustainably managed and legally harvested forests and to promote the sustainable management of tropical timber producing forests (UN 2006). ITTO also provides data on timber trade, which is seen as an important means to facilitate an understanding of changes in consumer demand, trade patterns and the

types of traded forest products. According to ITTO (2008), the expansion of trade in tropical timber and non-timber forest products depends on improving consumer attitudes towards such products and on reducing barriers to trade.

Tackling trade of illegal timber is also high priority for the European Commission. Under the Commission's FLEGT initiative, EU aims to eliminate illegal-timber trading and facilitate trade in legal timber. Under the initiative, only certified timber is imported from partner countries to EU markets. It is proposed in the plan that partner countries and EU develop Voluntary Partnership Agreements (VPAs) through which illegally-produced timber is eliminated from international and domestic trade within the Partner Country. The VPAs are also build in order to provide financial, technical and institutional support to improve forest governance.

In the UNFF8 in 2009, EU called for work towards common elements of defining legally harvested timber. This was opposed by Indonesia, Brazil, the US and Australia, the final result being compromise language inviting member states to use market-based approaches for production and consumption from sustainably managed forests harvested according to domestic legislation. In FLEG and land tenure issues, EU, Switzerland, Norway and others supported reference to land tenure rights in a recommendation inviting member states to develop policies to support SFM. This was opposed by the African Group, Indonesia, Brazil, China, Venezuela, Cambodia and Uruguay. Finally, EU proposed, and it was agreed, to invite members to report on land tenure issues at UNFF9.

WWF (2008) encourages its parties to combat illegal logging and related trade, in close co-operation with other relevant global and regional processes including UNFF, members of the CPF, the G8 and CITES. It also encourages the parties to engage in approaches based on VPAs, such as the FLEGT, or similar approaches based on other regional FLEG-processes and seek synergies and coherence amongst those.

China recently announced that it's working hard against illegal timber trade. The State Forestry Administration (SFA), the world's biggest importer of timber has encouraged other nations to do the same. China has been accused of smuggling illegal timber from, for example Myanmar. United States, Japan, the United Kingdom, France, Germany, Italy, Canada and Russia are the chief exporting destinations of timber in 2005–2008, used mostly for making furniture. Now there has been progress in tackling illegal logging and the latest trade data shows that imports of logs and sawn wood across the land border from Myanmar fell by more than 70% between 2005 and 2008. However, more must be done in order to fight corruption fueling the illegal trade. Although areas under forestry in China are increasing every year, the country needs to hasten the planting of trees to meet the soaring demand. China still faces major problems on forest protection and management, such as increased occupation and requisition of forest-land as well as illegal deforestation (Global Witness 2009).

4.9 Indigenous People

The International Alliance of Indigenous and Tribal Peoples of Tropical Forests (IAITPTF) is a worldwide network of organizations representing indigenous and tribal peoples living in tropical forest regions (Africa, the Asia-Pacific and the Americas). The Alliance was founded in 1992 during indigenous conference in Malaysia, where the Charter of the Alliance was adopted, and has been fighting continuously for the rights of indigenous and tribal peoples ever since. The IAITPTF is following the work of, for example UNFF, UNFCCC and UNCBD. It has been actively involved in the palm oil discussions for example at COP9 by strongly objecting development of new plantations and urging relevant bodies to ensure the effective participation of indigenous peoples in the development of guidelines.

The UNPFII, established in 2000, holds sessions with special themes focusing on environment and natural resources –related issues and indigenous people. For example, in the 6th Session in 2007 the theme was: Territories, Lands and Natural Resources. In the 7th Session in 2008 it was: Climate Change, bio-cultural diversity and livelihoods: the stewardship role of indigenous peoples and new challenges.

The former session recommended, inter alia, that member States take measures to halt land alienation in indigenous territories through, for example, a moratorium on the sale and registration of land – including the granting of land and other concessions – in areas occupied by indigenous peoples. It also reaffirmed indigenous peoples' central role in decision-making concerning their lands and resources, referring to the United Nations Declaration on the Rights of Indigenous Peoples (UNPFII 2007).

The latter session recommended that States, the World Bank, and other multilateral and bilateral financial institutions consider alternative systems beyond the perpetuation of highly-centralized fossil fuel-based energy supplies and large scale bioenergy and hydropower dams. The Forum also called for an increase in support for renewable, low-carbon and decentralized systems, taking into account the recommendations of the World Commission on Dams and recommended that States abandon old, centralized electricity grids, which are not suitable for the challenges of climate change. One of the central issues was the importance of involving indigenous people in decision-making processes on climate change adaptation and mitigation. The Forum noted that many indigenous peoples have their traditional lands in small island states and the very existence of many of these territories is under threat due to rising sea levels caused by climate change (UNPFII 2008).

UNCBD recognizes the dependency of indigenous and local communities on biological diversity and the unique role of indigenous and local communities in conserving life on Earth. This recognition is enshrined in the preamble of the Convention and in its provisions. It is for this reason that in Article 8(j) of the Convention, Parties have undertaken to respect, preserve and maintain the knowledge, innovations and practices of indigenous and local communities relevant for the conservation of biologi-

cal diversity and to promote their wider application with the approval of knowledge holders and to encourage equitable sharing of benefits arising out of the use of biological diversity (UN 1992c).

A Working group on article 8(j) and related provisions was established by the COP4 for UNCBD in May 1998 in Bratislava. At its 5th meeting in May 2000 in Nairobi, COP 5 adopted a Programme of work to implement the commitments of article 8 (j) of the Convention and to enhance the role and involvement of indigenous and local communities in the achievement of the objectives of the Convention.

At COP9 to the UNCBD, the need to promote full and effective participation of indigenous and local communities in the implementation of the Expanded Programme of Work on Forest Biodiversity at all levels was recognized; also noting the United Nations Declaration on the Rights of Indigenous Peoples (UNCBD 2008b). International Indigenous Forum on Biodiversity (IIFB) called for stronger collaboration between UNCBD and UNFCCC to address the issue of biodiversity and climate change. Special concern was raised on adaptation and mitigation measures, such as CDM and REDD, of the industrialized nations that might cause severe damage to the rights and resources of the indigenous people if not planned carefully. Other concern was the expansion of protected areas which IIFB sees as a potential threat to the rights of indigenous people. Instead of protected areas, IIFB is demanding recognition of indigenous bio-cultural territories and community conserved areas and their importance for the maintenance of cultural and biological diversity. In relation to the management of protected areas, IIFB is concerned about the state ownership which rarely leads to respecting the rights of the indigenous people and involving them into the management. COP9 also recognized the need to promote full and effective participation of indigenous and local communities in the implementation of activities relevant to the sustainable production and use of biofuels (UNCBD 2008c).

According to ITTO, non-timber forest products and forest-related environmental services should be promoted and developed to increase the economic attractiveness of maintaining the forest resource base. The role of forest-dependent indigenous and local communities in securing the tropical forest base needs to be acknowledged and strengthened, and the contribution of forests to poverty alleviation should be enhanced. Actions taken at the national level will need to be country-specific due to the varying conditions of the resource base (ITTO 2008).

In terms of future climate change agreement, environmental and human rights groups are warning that indigenous peoples' rights must be explicitly recognized in the deal in order to avoid victimizing them. One concern is also that putting value on forest might lead to land grabs in areas where land tenure rights are unclear and poorly defined. This brings the discussion to the basic question of: To whom forests actually belong to and who has the right to, for example, sell carbon credits from forests?

WWF recognizes that REDD mechanisms present both opportunities and risks for Indigenous Peoples and local forest-dependent communities. Governments must en-

sure that any forest and climate agreement/ REDD-mechanism is consistent with international human rights agreements and declarations, with particular attention to the UN Declaration on the Rights of Indigenous Peoples and ILO Convention 169.

In the 13th Session of the SBSTA for UNFCCC it was recognized that in order to generate accurate and precise data and information for establishing reference emission levels and reference levels, and for establishing and operating monitoring systems, there are research priorities and capacity-building needs. The conclusions produced by the SBSTA contain inter alia: encouragement of all parties in a position to do so to support and strengthen developing countries' capacities to collect, access, analyze and interpret data in order to develop estimates; and recognizes the need for full and effective engagement of indigenous peoples and local communities in monitoring and reporting REDD+ activities (UNFCCC 2009b).

4.10 Small Island Development States (SIDS) and the Least Developed Countries Fund (LDCF)

The effects of climate change and environmental degradation, including forest resources, can and will be most detrimental and also most difficult to tackle in the poorest countries of the world. The situation is even worse if the country is seriously threatened by sea-level rise, which is the case in SIDS. That is why special attention must be given to these most vulnerable countries.

SIDS are Small Island and low-lying coastal countries that share similar sustainable development challenges, including small population, lack of resources, remoteness, susceptibility to natural disasters, excessive dependence on international trade and vulnerability to global developments. In addition, they suffer from lack of economies of scale, high transportation and communication costs, and costly public administration and infrastructure (Sidsnet 2007).

SIDS face numerous challenges because of their special characteristics, including (i) remoteness, isolation and geographic dispersion, (ii) poor connectivity and data management, particularly through ICT, (iii) limited human and technological capacity, and (iv) the need for greater international recognition and assistance in reducing SIDS' economic and environmental vulnerability.

The SIDS Programme of Action formally began in April 1994, when the first Global Conference on Sustainable Development of Small Island Developing States was convened in Barbados. The conference adopted the Barbados Programme of Action (BPoA), which set forth specific actions and measures to be taken at the national, regional and international levels in support of the sustainable development of SIDS included (United Nations General Assembly 1994). The Barbados Declaration reaffirmed the principles and commitments to sustainable development of the Rio Declaration on Environment and Development, i.e. the Agenda 21 and the Non-legally

Binding Authoritative Statement of Principles for a Global Consensus on the Management, Conservation and Sustainable Development of All Types of Forests.

The 15 priority areas of action in BPoA included, for example Management of wastes, Freshwater, Land and Biodiversity resources. Within these areas it was recognized that the pressure on forests to provide fuelwood and to expand agricultural development together with heavy use of agricultural chemicals aggravate downstream pollution and sedimentation problems, that forest management and reforestation are effective means to develop, maintain and protect watershed areas and that deforestation is one cause of land degradation due to unsustainable commercial logging or permanent conversion to agricultural or grazing pursuits. In addition, it was recognized that deforestation is also linked to a decline in the continuity and quality of village water supply, depletion of genetic, wood and non-wood plant resources, and the fading away of traditional forest, lagoon and reef-based subsistence life systems. As a consequence, it was noted that support to appropriate afforestation and reforestation programmes, with appropriate emphasis on natural regeneration and participation of land owners is needed in order to ensure watershed and coastal protection and reduce land degradation (United Nations General Assembly 1994).

In January 2005, the international community convened in Mauritius to discuss further the successful implementation of the BPoA for sustainable development of the SIDS. The Mauritius meeting unanimously adopted both Mauritius Strategy and a political declaration entitled the Mauritius Declaration. The Mauritius Strategy recognized the role of SFM in reduction of forest loss and forest degradation as a crucial means to SIDS. Halting of deforestation is also emphasized in the strategy in order to protect the lives of human activities in front of growing environmental damage which is exacerbated by the climate change (UN 2005).

The LDCF was established in 2001 under the UNFCCC at COP7 in Marrakech, to support the identification of and to fund urgent adaptation actions in LDCs and to support a work Programme to assist LDCs carry out, inter alia, preparation and implementation of National Adaptation Programmes of Action (NAPAs). GEF operates the financial mechanism of the fund. Currently, there are 49 LDCs and all except Somalia are party to the UNFCCC.

According to an Evaluation on LDCF's effectiveness in climate change adaptation (Ministry of Foreign Affairs of Denmark 2009), funding has been provided to meet the agreed full cost of preparing the NAPAs. However, the complexity of the structure and procedures of the LDCF has hampered the ease by which workings of the Fund have been understood from the perspective of LDC stakeholders. The evaluation recommends using more public sector experts, reducing reliance on independent consultants and paying more attention to setting up intra-government arrangements as part of NAPA processes.

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PART II: SUPPORT OF FINLAND TO THE FORESTRY SECTOR

ACRONYMS PART II

5MHRP	Five Million Hectares Reforestation Programme
ACT	Amazon Cooperation Treaty
ACTO	Amazon Cooperation Treaty Organization
B.Sc.	Bachelor of Science
BoD	Board of Directors
CBNRM	Community Based Natural Resources Management Program
CDM	Clean Development Mechanism
CEMAPIF	Centre for Forest Management, Utilization and Small-scale Forest-based Industry
CO	Coordination Office
CU	Coordination Unit
DAC	Development Assistance Committee
DANIDA	Danish International Development Aid
EFI	European Forest Institute
EMA	Environment Management Act
ENRMMP	Environment and Natural Resources Management and Mainstreaming Programme
ESP	Environmental Support Programme
EU	European Union
EUCAMP	Eastern Usambara Conservation Area Management Programme
EUCPF	East Usambara Catchment Forest Project
EUR	Euro currency
FAO	Food and Agriculture Organization
FBD	Forestry and Beekeeping Division Tanzania
FDS	Forestry Development Strategy
FTI	Forest Industries Training Institute
FLEG	Forest Law Enforcement Governance
FLEGT	Forest Law Enforcement, Governance and Trade
FOMACOP	Forest Management and Conservation Programme
FOPER	Forest Policy and Economics, Education and Research
FSDP	Forest Sector Development Programme
FSDS	Forest Sector Development Strategy
FSSP	Forest Sector Support Program and Partnership
FTI	Forest Training Institute
GDP	Gross Domestic Product
GEF	Global Environment Facility
GIS	Geographical Information System
GoF	Government of Finland

GoL	Government of Lao PDR
GoM	Government of Mozambique
GoT	Government of Tanzania
GoV	Government of Vietnam
GoZ	Government of Zambia
GPS	Global Positioning System
GRZ	Government of the Republic of Zambia
HCS	Hanoi Core Statement (national strategy for implementing the paris declaration)
ICI	Institutional Co-operation Institutions
IFAD	International Fund for Agricultural Development
IISD	International Institute for Sustainable Development
ILUA	National Integrated Land Use Assessment
IUCN	International Union for Conservation of Nature
IUFRO	International Union for Forest Research Organizations
JFM	Joint Forest Management
KEO	Department for Development Policy, Ministry for Foreign Affairs of Finland
LAO PDR	Lao People's Democratic Republic
LTS	International consultant company
MAF	Ministry of Agriculture and Forestry Lao PDR
MAFOR	Sustainable Management and Utilization of Natural Coniferous Forest in Honduras, Guatemala and Nicaragua (project name)
MAP	Meso-American Agro-Environmental Programme
MARD	Ministry of Agriculture and Rural Development Vietnam
MDGs	Millennium Development Goals
MDTFF	Multi-Donor Trust Fund for Forest
MFA	Ministry for Foreign Affairs of Finland
MKUKUTA	National Strategy for Growth and Reduction of Poverty
MNRT	Ministry of Natural Resources and Tourism Tanzania
MNRT	Ministry of Natural Resources and Tourism
MoA	Memorandum of Agreement
MonGIS	Government of Mongolia Geographic Information System
MoU	Memorandum of Understanding
MTENR	Ministry of Tourism, Environment and Natural Resources Zambia
MTR	Mid-Term Review
NAFES	National Agriculture and Forestry Extension Service Lao PDR
NFAP	National Forestry Action Programme
NFBKP	National Forest Policy and Beekeeping Policy Tanzania
NFDS	National Forest Development Strategy
NFMA	National Forest Assessment and Monitoring System
NFP	National Forest Programme
NFP	National Forest and Wildlife Programme Mozambique
NFP CU	NFP Coordination Unit
NFP CUSP	NFP – Coordination Unit Support Project

NFP ISP	NFP – Implementation Support Project
NFS	National Forest Strategy
NGO	Non-Governmental Organization
NSGRP	National Strategy for Growth and Reduction of Poverty
ODA	Official Development Assistance
OECD	Organization for Economic Co-Operation and Development
PES	Payments for Environmental Services
PFAP	Provincial Forestry Action Program
PFM	Participatory Forest Management
pH	Is a measure of acidity in chemistry
PM	Degree 59 on Sustainable Management of Production Forests
PPP	Public-Private Partnerships activities
PROAGRI	Agricultural Sector Investment Program
PROCAFOR	Central American Forestry Programme
PROFOR	Program on Forests
PRORURAL	Project name in Nicaragua
PSC	Partnership Steering Committee
PST-ACT91	Pro Tempore Secretariat of the Amazon Cooperation Treaty
REDD	Reducing Emissions from Deforestation and Forest Degradation
REDD+	Reducing Emissions from Deforestation and Forest Degradation Partnership
SADC	Southern African Development Community
SFM	Sustainable Forest Management
Sida	Swedish International Development Cooperation Agency
SPFFB	Provincial Forests and Wildlife Services Mozambique
SUFORD	Sustainable Forestry and Rural Development Project
SWA	Sector-Wide Approach
SWAp	Sector-Wide Approach
TA	Technical Assistance
TCP	Technical Cooperation Project
TFAP	Tropical Forestry Action Plan
TFF	Trust Fund for Forests
TZA	Tanzania
UN	United Nations
UNCCD	United Nations Convention to Combat Desertification
UNCED	United Nations Conference on Environment and Development
UNDP	United Nations Development Programs
UNEP	United Nations Environmental Program
USD	United States Dollar currency
VFDS	Vietnam Forestry Development Strategy
VFFP	Viet Nam – Finland Forestry Sector Co-operation Programme
VRMC	Village Resource Management Committee
WRI	World Resources Institute
ZFAP	Zambia Forestry Action Programme

5 DEVELOPMENT OF FINNISH FORESTRY SECTOR COOPERATION

The following chapters present Finnish forestry sector cooperation during three decades: from the 1980s up to-date. To support the text, Annex 2 can be consulted. It presents important milestones of the Finnish development cooperation and forestry sector cooperation. Finnish bi- and multilateral support to forestry sector from 2009 onwards can be seen in the Tables 1 and 2. References to the text are found before the chapter 6 of the part II (Review of selected cooperation partner countries and forestry programmes) because in chapter 6, literature references are listed case-by-case in each sub-chapter.

5.1 Transition from the 1980s to 1990s

During the 1980s Finnish development cooperation in the forestry sector focused mainly on forest industry initiatives. Training and education were also emphasized, in the form of Forestry Training Programmes, together with forest research, especially in Sudan and Kenya. Towards the end of the 80s, however, “softer” values gained ground and social and economic research components became part of cooperation especially in training and academic research work. Forestry cooperation evolved towards including concepts of rural development, poverty alleviation and environmental conservation. The eight principal partner countries to Finnish development cooperation were also established during the Decade: Ethiopia, Kenya, Zambia, Mozambique, Tanzania, Nicaragua, Nepal and Viet Nam.

Important milestone in global forest agenda was the Tropical Forestry Action Plan (TFAP) initiative launched by FAO in 1985. This initiative was a result of growing concern over environmental issues, for example, deforestation, especially in the tropics. TFAPs had an effect on Finnish development cooperation as well, and Finland increased its support to national level planning in the partner countries.

Funds for development cooperation grew in the late 1980s in Finland and the target of 0,7% of GDP for development cooperation was reached in 1990, 1991 and 1992. However, recession in Finland in 1990–1993 led to re-evaluation of development aid budget and funds were reduced to 0,4% of GDP in 1993. In the 1990s, there was a need to rethink the principles of development cooperation profoundly in any case because the view on development started to change into more complex range of development functions, both in Finland and globally, in the wake of the United Nations Conferences and poverty reduction talks. Development and development cooperation were seen from a more comprehensive point of view.

In 1993, the first Finnish development strategy was published, named Finland’s Development Co-operation in the 1990s (MFA 1993). In the strategy, forestry was de-

defined as one of the priority themes of co-operation and support to Tropical Forestry Action Plans was defined. Throughout the 90s, poverty reduction was the most important policy goal in Finnish Development Policy. Other important goals were democracy and human rights together with ensuring environmental sustainability. In forestry terms, important themes were forest conservation and reforestation, strengthening of forest institutions, forestry planning and industry development, and institutional and sectoral support. However, although the forestry and environmental sectors were seen as an important part of the Finnish cooperation with developing countries, the previous evaluation of forestry sector co-operation (LTS International Ltd. 2003), concluded that field activities during the 1990s were environmentally neutral or only locally. In addition to the Development Strategy of 1993, two other publications came out during the 1990s: Decision-in Principle on Finland's Development Cooperation (MFA 1996) and Finland Policy on Relations with Development Countries (MFA 1998).

5.2 The New Millennium

Towards the new Millennium focus started to turn towards forest policy development and emphasis changed from Forestry Master Plans and Action plans to National Forest Programmes (NFPs). Biodiversity, climate change and bio-energy issues started to gain more attention in the agenda. On the other hand, investments of Finnish cooperation in forest industry, research and education waned. The new Millennium has meant increased cooperation in global forums with international actors in development. Also, the demand-driven approach and development towards thinking that forms of cooperation must be planned in the country context has become stronger

Eradication of poverty has always been the main goal of Finnish development cooperation. In the 21st century this goal has been further emphasized by the Millennium Development Goals (MDGs) set in September 2000. Globally, development towards greater ownership by partner countries, participation and bottom-up approaches, which had started already in the 1990s, culminated in the signing of the Paris Declaration in 2005 as countries and organizations committed themselves to continue to increase efforts in harmonization, alignment and managing aid for results.

In 2001 the Ministry for Foreign Affairs of Finland (MFA) published Operationalization of Development Policy Objectives in Finland's International Development Co-operation (MFA 2001) with the goal of identifying measures to further enhance the practices of development cooperation. In 2004, new development policy came out (MFA 2004). Evaluation of the Finnish co-operation in the forestry sector in the 1990s was published in 2003 by the LTS International Ltd. (2003). As a result of the evaluation, it was recognized that there is a need for a clear Forest Strategy. However, it took until 2009 that the strategy, named Development Policy Guidelines for Forest Sector (MFA 2009a), was published.

Two paradigms can be distinguished in the first decade of the 21st century forestry development in Finland. The first is from 2000–2005 when, after the aforementioned evaluation, emphasis was put on sectoral programmes. Forestry was merged with rural development. Around 2005, thinking changed after it was recognized that the experiences in sectoral programmes in forestry and for example agriculture weren't as good as in education and health sectors, in which better success had been achieved. Accordingly, it was recognized that project and programme support also contribute to the forestry sector cooperation in a meaningful way.

According to the previous forestry sector evaluation of 2003, forestry sector cooperation has been rhetorically very consistent with wider development goals of Finland but in practice the impact has been limited to environmental benefits. The evaluation called for a much wider view on forestry, which is consistent with Finnish development goals and mainstreaming of important issues such as gender, livelihoods and governance.

The new guidelines for forest sector cooperation are very clear and visionary. Among others, links between bilateral and multilateral cooperation are aspired and environmental issues are emphasized. There has also been a shift from the forestry master and action plans towards NFPs. Finland now seeks to support its cooperation partners in developing NFPs and also seeks to integrate its development cooperation plans to be coherent with countries' own national strategies.

Community forestry, climate change and the role of forests in rural development issues have grown in importance and the forms of cooperation are changing. It is now recognized that instead of working with a few pilot communities, it is more effective, though more challenging, to work with several communities with national cover. This is also more effective in terms of climate change mitigation and adaptation efforts. For example, any national efforts to combat deforestation in country-level must be holistic in scope and involve all relevant, national stakeholders in the planning and implementation process. Pilot community projects might have local impact but wider development goals might be left unattained.

The top recipients of Finnish bilateral ODA in 2007–2008 according to the Organization for Economic Co-Operation and Development (OECD) were Tanzania, Mozambique, Vietnam, Afghanistan, Nicaragua, Zambia, Kenya, Nepal, Ethiopia and Somalia. The amounts received by county are shown in box 13.

Box 13 Top ten recipients of gross ODA of Finland in 2007–2008 (amounts in USD million).

Tanzania	40
Mozambique	37
Viet Nam	28
Afghanistan	23
Nicaragua	21
Zambia	19
Kenya	15
Nepal	15
Ethiopia	13
Somalia	13

Source: OECD/DAC 2009.

In the environmental sector, the top recipients during 2006–2007 were Viet Nam (14 million USD), Ethiopia (14 million USD) and Mozambique (8 million USD) (OECD/DAC 2009).

5.3 Future

Sectoral, programme and project support will continue. Regional programmes will continue and increase in number. The role of NGOs, Institutional Co-operation Institutions (ICI) and bilateral programmes is important in technical assistance. Central themes in Finnish forestry sector will be support to and development of national policies of partner countries, governance and forest law enforcement, land tenure issues and rights of the forest-dependent communities.

There are currently many programmes starting in the field of forestry, some in countries where Finland hasn't been active for a while, for example in Kenya and Nepal. Regional programmes include the Mekong area, Central America, Western Balkans and the Andes (Table 1). In addition, multilateral cooperation in the field of environment and forestry continues (Table 2).

Table 1 Finnish bilateral cooperation in forestry sector from 2009 onwards.

Cooperation Country	Project and Duration	Overall Development Goal	Finland's Financial support
Nepal	Forest Policy and Administration 2009–2013	Development of Nepal's forestry sector and support to national forest policy through forest resources assessment	TA Budget 4,7 million EUR
Nepal	Support to IFAD's leasehold forestry and animal husbandry program 2009–2012	Poverty reduction by offering the poor opportunities to access land, financial services, technology and education	2,8 million EUR
Vietnam	Trust Fund for Forests 2004–2011	Sustainable Management of Forests	17,5 million EUR
Lao PDR	Sustainable Forestry Project 2009–2012	Sustainable use and protection forests and rural development	9 million EUR
Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panamá	Integrated Environment and Rural Development Programme of Central America 2009–2012	Sustainable management of forests and environment	5,47 million EUR
Serbia	Support to Forestry Sector in Serbia 2004–2010	Reform of forestry sector in Serbia	1,26 million EUR
Albania, Bosnia-Herzegovina, Croatia, Macedonia, Serbia and Montenegro	Strengthening Capacities of Education and Training for Forest Policy and Economics Development in Western Balkan 2004–2011	Strengthening of modern forest economy and forest policy education and research in Western Balkan	3,3 million EUR
Western Balkan	Strengthening of forestry training in Southeast Balkan, 2009–2011	Forestry sector that supports economically, ecologically and socially sustainable development in Western Balkan region	2,88 Million EUR

Cooperation Country	Project and Duration	Overall Development Goal	Finland's Financial support
Kenya	Support to Kenya's Forestry Sector, Inception phase 2007–2009 implementation phase 2009–2014	Poverty reduction through improved forestry	Inception phase 2,2 million EUR; Implementation phase 18,7 million EUR
Mozambique	Forestry Development 2009–2013	Economically, ecologically and socially sustainable development	11,45 million EUR
Zambia	Forestry Sector Support Programme II 2000–2009	Creation of income generating activities to forest adjacent people through collaborative management concept	6,39 million EUR
Tanzania	Support towards the funding of the National Forest and Beekeeping Programme (NFBKP) 2009–2010	Sustainable development of forestry sector	6 million EUR
Tanzania	National forest and environment assessment 2009–2010	Sustainable development of forestry sector	2,5 million EUR
Tanzania	Study on public private partnership in forestry sector 2009–2010	Sustainable development of forestry sector	1,0 million EUR
Tanzania	Supporting activities to NFBKP	Sustainable development of forestry sector	1,0 million EUR

Source: Ulkoasiainministeriö 2009.

Table 2 Financial contribution by Finland to multilateral cooperation in forestry and environmental sector in 2009.

Organization	Mission	Finland's focal points	Finnish contribution
FAO/ National Forest Programme Facility and World Bank/ PROFOR	To support implementation of NFPs in order to promote SFM	SFM, Environmentally sustainable development, international environment and development cooperation processes and treaties	800 000 EUR
FAO/ Sustainable Forest Management in Changing Climate	Advancing SFM and Climate Change Mitigation	Promotion of ecologically, economically and socially sustainable use of forest resources	2,0 million EUR
IISD/ Earth Negotiations Bulletin	Reporting of international environment and development –related negotiations and processes through Internet	Support to publication of the Earth Negotiations Bulletin	50 000EUR
IUCN/ Tanzania, Zambia and Mozambique	Climate Change Adaptation	Environmentally sustainable development, international environment and development cooperation processes and treaties	656 383 EUR
IUFRO	Support to development countries in climate change adaptation and combating deforestation	SFM, Environmentally sustainable development, international environment and development cooperation processes and treaties	550 000 EUR
Participation of development countries to international environment meetings	Support to the participation of development countries to international environment meetings and seminars	Important international environment and development cooperation processes and treaties	455 000 EUR

Organization	Mission	Finland's focal points	Finnish contribution
Multilateral Ozone Fund	Support actions which aim at decreasing production and consumption of ozone depleting substances	General support	750 000 EUR
UNCCD	Capacity building to combat desertification and identification of new markets for dry area products	Environmentally sustainable development, international environment and development cooperation processes and treaties	200 000 EUR
FAO/ Global Forest Resources Assessment	Collect data on global deforestation and aim at decreasing deforestation	Capacity building in development countries on resource assessment	300 000 EUR
FAO/ Forest expert	Strengthening of FAO's forest sector work	Strengthening of national capacities of developing countries in forest sector in order to implement NFPs	185 000 EUR
UNEP	Be a leading actor in global environmental questions, promote environmentally sustainable development in the UN system and produce scientific information to support decision-making	Strengthening of UNEP and making it a special organization of UN, environment and security	3,4 million EUR

Source: Ulkoasiainministeriö 2009.

6 COUNTRY AND FORESTRY PROGRAMME REVIEW

The selection of the countries and programmes presented below is based on conversations with MFA's forestry advisors and the head of the Development Evaluation Office, Aira Päivöke, and revision of the most recent forestry sector cooperation evaluation of 2003 (LTS International Ltd. 2003) together with the new policy guidelines for forest sector of 2009 (MFA 2009a).

The structure of the review is following:

1. Country overview, which includes glance at forestry developments and Finnish cooperation in the country, and list of general, country-related documents.
2. Table, which presents total Finnish ODA to the country as defined by OECD: flows to developing countries and multilateral institutions provided by official agencies, including state and local governments, or by their executive agencies. For forestry projects, data was available starting from 2002 onwards.
3. Project or Programme review. Relevant documents, which might be useful for the evaluation, are listed at the end and it is indicated whether the document is electronic or manual. It is not a reference list i.e. all the documents are not cited in the text.

6.1 Countries and regions studied: Vietnam, Lao PDR, Central and South America, Western Balkans, Mozambique, Zambia and Tanzania

The period under review of the upcoming evaluation is from the year 2000 onwards, which set a certain framework for the country selection. In Mozambique, forestry sector cooperation has been ongoing throughout the 21st century, apart from a short pause, and it still continues. In Tanzania, Finland has been the leading donor of the sector and it is important to assess if Finnish aid has had an impact to the development of the country. Finland has been present in Lao PDR and Vietnam also for a long time. The regional programmes in the Western Balkans and Central and South America are worth assessing in order to obtain lessons learned for other regional projects. For example, the PROCAFOR in Central America could serve as an example for the Meso-American Agro-Environmental Programme (MAP) under planning. The regional programmes in Mekong area and in Africa are starting up and could benefit from the evaluation, too.

6.2 Partner Countries not included in the Pre-Study: Ethiopia, Nepal, Kenya and Nicaragua

In Kenya and Nepal, forestry sector cooperation has been paused for quite a long period and it has only recently started again so there are no projects from the 21st century to be assessed. In case of Nicaragua, the PRORURAL, a rural development project that includes forestry element, is part of the upcoming evaluation of agriculture and rural development (Porvali 2009). However, Nicaragua, together with Guatemala and Honduras, was part of the PROCAFOR-project, which is viewed in this study. In Ethiopia, focus of cooperation has been in education and water sectors. Due to unstable situation in the country, Finland has been on and off from the country during the 21st Century.

6.3 Viet Nam

Since the 1990s, the Vietnamese Government has made significant efforts to halt forest loss and reforest the country. The Evaluation of Finnish Forest Sector Co-Operation of 2003 also notes that during the 1990s a concerted attempt was made to take the forest land allocation process forward and significant achievements were made in reversing the trends in deforestation through strengthening local systems of forest protection and through farm forestry.

One of the most important efforts has been the Five Million Hectares Reforestation Programme (5MHRP), which seeks to raise forest cover in the country to 43 percent. In 1998 this program was presented to donors in the Consultative Group for Vietnam meeting held in Paris and it was decided that international support will be given to the reforestation Programme. In 1999, first steps towards partnership were taken when 18 donor countries and the Vietnamese Government signed a Memorandum of Agreement (MoA) in which the signatory countries, including Finland, committed in supporting the 5MHRP. As a separate process, the Ministry of Agriculture and Rural Development (MARD) prepared a new Forestry Sector Strategy up to the year 2010. Subsequently, a Vietnam Forest Sector Support Program and Partnership (FSSP) was developed to provide a framework and support for the new Strategy, including the 5MHRP. In 2007, new Vietnam Forestry Development Strategy (VFDS) for the years 2006–2020 was approved.

Vietnam has been Finland's partner country since 1979 and cooperation in the forestry sector has a long history. Finnish disbursements of Official Development Assistance (ODA) to Vietnam during 2000–2008 are presented in Table 3. In 2006, Finland set an intermediate country strategy for Vietnam, which aimed at concentrating aid to fewer sectors and projects. Forest was then defined as one of the priority sectors in Vietnam.

The new development policy of Finland (MFA 2007) emphasizes ecological sustainability and importance of forests in development. Thus, forestry sector support in

Vietnam is well inline with Finland's wider development policy goals and strategy. In addition to forestry, the main sector for future Finnish-Vietnamese cooperation is water and sanitation. In the forestry sector, cooperation will concentrate on the implementation of forest development strategy, support to Forest sector information system (including REDD monitoring) and national REDD (Reducing Emissions from Deforestation and Forest Degradation) and FLEGT (Forest Law Enforcement, Governance and Trade) strategies. A summary of Finnish ODA in forest sector to Vietnam in 2000–2008 is in Table 3.

Relevant Documents

Forestry Development Strategy 2001–2010. Ministry of Agriculture and Rural Development.

Finconsult Oy: *Evaluation of the Bilateral Development Co-operation between Vietnam and Finland*. Evaluation Report 2001:8. Ministry for Foreign Affairs of Finland, Department for International Development Co-operation, Helsinki 2001. ISBN 951-724-361-8.

Vietnam Forestry Development Strategy (2006–2020). Ministry of Agriculture and Rural Development. Agriculture Publisher, Hanoi 2007.

Table 3 Finnish ODA to Vietnam in 2000–2008.

Year	ODA: Total Net (USD millions current)	Forestry Project disbursements (USD millions current/ USD millions constant, 2007)	Forestry Project Name	Channel of Aid Delivery/ MFA Intervention Code
2000	5,8			
2001	5,2			
2002	7,2	0,7/ 1,06	Forestry Project Phase II	Ministry of Forestry 76902603
2003	8,6	0,33/ 0,43	Forestry Project Phase II	Ministry of Forestry 76902603
		0,12/ 0,16	Forest Sector Development Strategy	76905501
		0,13/ 0,17	Feasibility Study on Development of Appropriate Forest Industry	76911103

Year	ODA: Total Net (USD millions current)	Forestry Project disbursements (USD millions current/ USD millions constant, 2007)	Forestry Project Name	Channel of Aid Delivery/ MFA Intervention Code
2004	12,6			
2005	19,4			
2006	18,7	0,86/ 0,961	Forest Sector Development Strategy	76905501
2007	26,8	1,09/ 1,09	Support to Forest Sector Development	Other 76905501
		1,5/ 1,5	Forestry Trust Fund	Multidonor trust fund 76906501
2008	28,8	0,04/0,03	Forestry Development	Other 76905501
		0,7/ 0,6	Forestry Trust Fund	Multidonor trust fund 76906501

Source: OECD/DAC 2009.

6.3.1 Viet Nam – Finland Forestry Sector Co-operation Programme (VFFP), Phase II, 1999–2003

This project was partly assessed by the evaluation of the bilateral development co-operation between Vietnam and Finland (Finnconsult Oy 2001) and the evaluation of Finnish forest sector development co-operation of 2003. The project was significant in adding to its work on farm forestry a component on marketing. However, it could be interesting to see the final outcome of the Programme since it didn't come to an end at the time of the other evaluations.

Relevant documents

Project Document. Vietnam-Finland Forestry Sector Cooperation Programme, Phase II: 1999–2003. March 1999.

Annual Monitoring Report Year 1999. Vietnam-Finland Forestry Sector Cooperation Programme, Phase II: 1999–2003. February 2000.

Annual Plan Year 2000. Vietnam-Finland Forestry Sector Cooperation Programme, Phase II: 1999–2003. March 2000.

Phase II – Work Plan 2003. Vietnam-Finland Forestry Sector Cooperation Programme. March 2003.

External Appraisal of the Credit Scheme. Vietnam-Finland Forestry Sector Cooperation Programme. July 2003.

Programme Completion Report. Vietnam-Finland Forestry Sector Cooperation Programme, Phase I 1996–1999 and Phase II: 1999–2003. October 2003.

Completion Report, Phase II. Vietnam-Finland Forestry Sector Cooperation Programme, Phase II: 1999–2003. October 2003.

Completion Report, Phase II. Vietnam-Finland Forestry Sector Cooperation Programme, Phase II: 1999–2003. Annexes. October 2003.

6.3.2 Forest Sector Support and Partnership Program (FSSP) and Forest Sector Development Strategy (FSDS) 2002–2005

MFA Intervention Code: 76905501

Budget (OECD/DAC 2009):

2003: Finnish support 120 000 USD (Forest Sector Development Strategy)

2006: Finnish support 860 000 USD (Forest Sector Development Strategy)

2007: Finnish support 1,09 USD million (Support to Forest Sector Development)

2008: Finnish support 40 000 USD million (Forestry Development)

According to Evaluation of Finnish Forest Sector Co-Operation of 2003, there have been two main periods in which donor agencies have actively sought to interact with Government of Vietnam (GoV) on the orientation of forest strategies:

- 1988–1993: preparation of the TFAP (1991) leading to the formulation of the National Forestry Action Programme (NFAP) (1993).
- 1998–2001: formulation of the Forest Sector Support Programme (2001), which coincided with formulation of the Forest Development Strategy 2001–2010.

During the year 2000, the aforementioned partnership between 18 donor countries and the Vietnamese Government prepared a framework for the Forest Sector Support Programme (FSSP). The FSSP support was then directed to supporting the 5MHRP, which was considered as the National Forestry Programme for Vietnam. A Partnership Steering Committee and Partnership Secretariat were established to guide and work with the partnership.

In May 2001, the Vietnamese prepared a Forestry Development Strategy (FDS), including six broad programmes related to sustainable use of forest resources (Forest-

ry Development Strategy 2001–2010 2001). The most important of which was the 5MHRP. In the end the two processes, FSSP and FDS, were seen as equally supportive. It was then decided that FSSP should start supporting the FDS, which for its part would, as development programme for the whole forest sector, give a better framework for the FSSP than the solely reforestation-focused 5MHRP. Later, in the evaluation of the implementation phase of the FSSP, it was noted that deeper integration of the FSSP, FDS and the 5MHRP was crucial. The MoA for FSSP was signed in 2001 and a Partnership Steering Committee (PSC) was formed under the MoA.

The goal of the FSSP was to achieve sustainable management of forests and the conservation of biodiversity through:

- Protection of the environment
- Improved livelihoods of people resident in forest areas
- Enhanced contribution of forestry to national economy

The purpose was to support the development and integration of FSSP coordination and monitoring capability into concerned institutions.

As a consequence of increasing number of partners joining the FSSP, the Vietnamese Government was faced with an increasing task of collection, analysis and dissemination of information, monitoring and evaluation, and pressure to provide logistical and organizational support. This challenge was tackled by establishment of an independent FSSP Coordination Office (CO) under the MARD in 2002. The ultimate goal of this arrangement was improved coordination and monitoring of FSSP related activities and to improve the efficiency on implemented programmes.

The funding mechanism of the CO was a Trust Fund with contributions from GoV and the International Partners and it was guided by the “Guidelines on the Management and Utilization of the Trust Fund of the FSSP Coordination Office” of 2002.

Components financed by Finland in the CO process:

- International Monitoring and Evaluation Specialist (400 000 Euros).
- Lump-sum contribution to the Trust Fund (337 000 Euros).

The evaluation of Finnish Forest Sector Co-Operation of 2003, looked at the process of FSSP formulation and concluded that Finland, together with other important partners, has provided valuable support to the FSSP Coordination Office and the GoV has been content with the “in kind” (professional advice) by Finland to the FSSP formulation process.

A Mid-Term Review on FSSP was realized in 2006 (Joint Review of the Forest Sector Support Program and Partnership 2006). The review recommended some changes to the organization of FSSP (Partnership Forum, Partnership Steering Commit-

tee, Technical/Executive Committee, FSSP coordination Office). In addition, it was recommended that support to the National Forestry Development Strategy (NFDS) would be given and support to the FSSP Coordination Office continued until 2010. In fact, one of the recommendations was that the new National Forest Strategy (NFS) should replace the Forest Sector Support Program framework. The annual work plan should then continue to focus on coordinating activities of the Partnership in support of the NFS.

Originally, FSSP was established as a partnership between international ODA- partners, such as donors, multilateral agencies, and international non-governmental organizations, and MARD, but in 2006, it was agreed to broaden the Partnership to include other stakeholders, such as local organizations, national non-governmental organizations, and the private sector, including both domestic and foreign enterprises and investors.

According to a Concept Note of 2008–2010 on FSSP (FSSP Coordination Office 2007), the Forestry Partnership was growing importance during 2001–mid–2007 in the forest sector activities and the Ministry had taken an increasingly stronger role in ownership and leadership of the Partnership. It also states that FSSP had provided valuable means by which the Government, other national partners, and international partners can exchange information and views on strategic sector issues.

During the period 2008–2010 the FSSP planned to continue to promote a comprehensive approach to supporting the entire forest sector, with particular focus on supporting implementation of the Vietnam Forestry Development Strategy (VFDS) of 2006–2020. It plays an important role in supporting the GoV objective to involve a wide range of non-state stakeholders in the management, development, conservation, and utilization of forests in Vietnam.

The key challenges for FSSP in 2008–2010 are:

- Identifying how the FSSP can best support the Vietnam Forestry Development Strategy.
- Further work to harmonize, coordinate, and align ODA and other support.
- Supporting the development of more comprehensive information and monitoring systems.
- Considering how to improve overall sector management and sector financing.

During 2009, there were two review missions to assess the FSDP (Indufor Oy 2009). The general finding of the first trip in January was that the project was improving despite some persistent shortcomings. Later, the November mission assessed, among other issues, the implementation progress and performance of the project and discussed the priorities for the remaining implementation period and the possibility of an extension of the project. It concluded that the project disbursements and achieved target hectares still develop slower than originally estimated. However, the project has

continued to improve its performance since January's review mission and, for example, the TA has produced a number of good quality studies and documents.

The main recommendations of the Review Mission of November 2009 were:

- (i) Further interaction between MARD, World Bank and the Finnish Embassy to remove delays caused by the cumbersome approval process.
- (ii) Interaction constraints between Technical Assistance (TA) and counterpart staff should be removed and TA allowed to travel and to interact with other project staff, organizations and institutions more freely. If constraints continue, proper transfer of knowledge and institutionalization of TA efforts will be jeopardized.
- (iii) The project should be extended due to the following reasons:
 - Project needs to cover the first harvesting season to support the smallholders in this critical phase of plantation management.
 - Sufficient land is available and smallholders are interested in joining the project.
 - More time is required to institutionalize some core aspects of the project (land measurement and allocation process, plantation design, part of monitoring & evaluation).
 - A functioning project organization is in place and should be used to continue the achieved momentum.

According to the forestry strategy (MFA 2009a), the FSDP is a key project for future Finnish cooperation in Vietnam. Assessment of the FSSP Partnership process and related trust fund would be interesting because the process was also analyzed in the Evaluation of Finnish Forest Sector Co-Operation of 2003. However, as the process was just beginning at that time, it would now be interesting to assess, how the process has evolved. How have the partnership approaches and strategies at the policy level been interpreted on the ground? This is an interesting process to evaluate also because it stands out from other similar type of projects in Vietnam in terms of the effort put in partnership work and attention given to all stakeholders in its implementation.

Relevant Documents

Memorandum of Agreement (MoA) Vietnam Forest Sector Support Program and Partnership. November 2001.

Memorandum of Agreement (MoA) Vietnam Forest Sector Support Program and Partnership. Annex 1: Principles for Forest Sector Cooperation. November 2001.

Memorandum of Agreement (MoA) Vietnam Forest Sector Support Program and Partnership. Annex 2: Program Framework, Introduction and Summary. November 2001.

Memorandum of Agreement (MoA) Vietnam Forest Sector Support Program and Partnership. Annex 2: Program Framework. November 2001.

Terms of Reference for Consultancy on Facilitation and Technical Support to the Preparation of a Project Document (PD) for the Institutional Strengthening of the Vietnam Forest Sector Support Programme Coordination Office. 2002.

Terms of Reference for Forest Sector Support Program Coordination Office. Hanoi, November 2002.

Guidelines on the Management and Utilization of the Trust Fund of the FSSP Coordination Office. Hanoi, November 2002.

Annual Review Mission Report. Forest Sector Support Program & Partnership- November 2002.

Terms of Reference for Vietnam-Finland Development Cooperation on Forestry Intervention Identification Mission in February-March 2003. February 2003.

Draft of Main Report. Volume I. Forest Sector Development Project Conservation Fund Design. Hanoi, April 2003.

Intervention Identification Report. Final Report. Vietnam-Finland Development Co-Operation on Forestry. Göran Nilsson Axberg, Bui Chinh Nghia, Markku Siltaanen. May 2003.

Project Document. Finnish Financial Support to the Forestry Sector Support Programme & Partnership Coordination Office in Vietnam. Hanoi, May 2003.

Project Implementation Plan. Volume II. Forest Sector Development Project. June 2003.

Agreement between the Government of the Republic of Finland and the Government of Vietnam on Finnish Support to the Forest Sector Support Programme and Partnership Coordination Office 2003–2006. August 2003.

Tentative Matrix of National and International Institutional Affiliations. Forest Sector Support Program & Partnership. August, 2003.

Appraisal Mission, Aide-Memoire. Forest Sector Development Project. October 2003.

Project Appraisal Document. Forest Sector Development Project. December 2003.

Report on the Operation of the Forest Sector Support Program Coordination Office in last six months of 2003. 2004.

Annual Review Mission. Final Draft Report. Submitted by Mr. Doan Diem and Mr. Jens Rydder. Forest Sector Support Program & Partnership. November 2003.

Annual Review Report 2004. Final Version. Report to the FSSP Partnership. Submitted by FSSP Coordination Office staff with support provided by Mr. Jens Rydder. January 2005.

Terms of Reference for Major Review of the Forest Sector Support Program and Partnership (FSSP&P) and Trust Fund for Forest (TFF). 2006.

Joint Review of the Forest Sector Support Program and Partnership -2006. Review, Options and a Roadmap of Critical Decisions. Final Report. April 2006.

FSSP Coordination Office: Concept Note. Forest Sector Support Partnership Coordination Office Trust Fund (CO TF) 2008–2010. September 2007.

Williams P J 2008 *Forestry Partnership in Viet Nam: Reflections on Experiences and Future Challenges.* Forest Sector Support Partnership Coordination Office (2003–08). Indufor, Helsinki 2008.

Terms of Reference for Forest Sector Development Project Supervision Mission, April 2008. March 2008.

Indufor Oy 2009 *Second Mid-Term Review of the Forestry Sector Development Project (FSDP) in Vietnam 7–19 January, 2009.* Mission Report. Findings from the World Bank/ Government of Finland. January 2009.

Second Mid-Term Review, January 7–21, 2009. Aide Memoire. Vietnam Forest Sector Development Project. January 2009.

Indufor Oy 2009 *Review of the Forestry Sector Development Project (FSDP) in Vietnam 1–20 November 2009.* Mission Report. November 2009.

Supervision Aide Memoire 4–16 November, 2009. Vietnam Forest Sector Development Project. November 2009.

6.3.3 Multi-Donor Trust Fund for Forests (MDTFF) 2004–2011

MFA Intervention Code: 76906501

Budget (OECD/DAC 2009):

2007: 1,5 USD million

2008: 0,7 USD million

2009–2012: Finnish Support Total 17,5 million EUR

In 2004, Finland, Sweden, Switzerland, Germany, Netherlands and Vietnam established a Trust Fund for Forests (TFF). It was originally established as a transitional funding mechanism leading towards a Sector-Wide Approach (SWAp) in forest sector in Vietnam. The idea for TFF is to work as a common financing mechanism through which the GoV can channel international development funds to the most important projects and programmes. For the initial “transition” phase (2004–2007), it was agreed that the FSSP CO would serve as the day-to-day management unit for the TFF.

The overall goal of the TFF was consistent with the National Forest Development Strategy and the FSSP:

- The sustainable management of forests and the conservation of biodiversity to achieve: a) protection of the environment, b) improved livelihoods of people in forest dependent areas, and c) enhanced contribution of forestry to the national economy.

The specific objectives of the TFF were defined as:

- (i) Aligning ODA support more closely with the agreed priorities identified in the FSSP framework, and in the future, by the revised National Forest Development Strategy.
- (ii) Improving the poverty targeting of ODA support to the forest sector, consistent with the Government priorities defined in National Forest Development Strategy (NFDS) 2006–2020.
- (iii) Harmonizing aid to the forest sector and reducing transaction costs of GoV.
- (iv) Supporting transition towards a sector wide approach to ODA support in the forest sector.

TFF has financed essentially three main types of interventions:

- Preparation of policy tools, such as degrees, decisions, circulars, strategies and training curricula.
- Piloting of potential new policy tools.
- Mainstreaming and up-scaling the implementation of already approved policy tools with a policy feed-back link (learning and improving policies if found necessary).

During its first years TFF was particularly active in the first type of activities, later its focus has shifted towards two latter types.

Finland has supported the World Bank – GoV Forest Sector Development Programme (FSDP) with ear-marked funding through TFF. In 2004, Finland signed two contracts with Vietnam on TFF funding, total of 6,1 million EUR; 4,2 million EUR were ear-marked to the FSDP and 1,9 million EUR of non-ear-marked funding to TFF. In 2007, it was proposed that Finland would support Vietnam's National Forestry Strategy development in 2008–2011 with 12,7 million EUR through the TFF.

A mid-term review on TFF was realized in 2006 (Joint Review of the Trust Fund for Forests 2006). The review praised TFF especially on increased coordination in the forestry sector. Challenging was, however, that many important donors hadn't got involved in supporting forestry sector through TFF but have maintained their own working procedures. The Review recommended that the goal of changing TFF into sectoral support would be abandoned and instead the TFF support would be targeted directly to carefully selected programmes. It was also recommended that administration of TFF and FSSP would be separated and operational work optimized.

The second major evaluation of TFF was finalized in June 2009 (Indufor Oy 2009). It listed the TFF donors, in the order of commitments, as Finland (49%), Netherlands (26%), Switzerland (18%) and Sweden (5%). At the time of the evaluation, the total financing commitment to TFF by donors was about EUR 32.6 million of which EUR 31.5 million were approved to 28 projects. Eight of these projects were on-going or to be mobilized and the rest were already closed, leaving about EUR 1 million to be allocated to new project(s).

According to the second major evaluation (Indufor Oy 2009), TFF has not contributed, apart from its own direct contribution of pooling funding of 3–4 donors in supporting government's sector strategy implementation, in progress towards sector support because there is no such on-going progress in forest sector in Vietnam. Other observations included, for example:

- The quality (feasibility and realism) of annual work plans of the projects need increasing attention.
- Disbursements and disbursement projections are one of the main problem areas of TFF, particularly linked to the three largest projects in which mobilization and implementation have been very much delayed.
- The organizational setting, decision-making and governance structure of TFF are operational and adequate.
- TFF has been contributing towards HCS: ownership, alignment, harmonization, managing for results and mutual accountability.

- Not possible to get information on future availability of financing through TFF.
- TFF has been and is useful as a fund; one should not put too many and too high expectations on it; e.g. TFF and its Board of Directors (BoD) are not the right scene for policy dialogue between donors and GoV/MARD (but for deciding on funding priorities BoD is the right place).

A new Memorandum of Understanding (MoU) (March 2009 – end of 2012) for implementation phase of TFF was signed between MARD and Finland, Netherlands and Switzerland (the three largest donors) on 18 March 2009.

The overall goal was revised in the new MoU to be:

- The sustainable management of forests and the conservation of biodiversity to achieve: a) protection of the environment, b) improved livelihoods of people in forest dependent areas, c) enhanced contribution of the forest sector to the national economy, and d) increased contribution of forests in terms of climate change mitigation and adaptation.

The objectives of the TFF, according to the new MoU were also slightly changed:

- (i) Aligning ODA support more closely with priorities identified in the Vietnam Forest Development Strategy (2006–2020).
- (ii) Improving the poverty targeting of ODA support to the forest sector.
- (iii) Harmonizing aid delivery from ODA granted to the forest sector through reducing transaction costs on GoV.
- (iv) Serving as a pilot to develop experience and lessons beneficial to the establishment of a fully GoV-owned Forestry Protection and Development Fund.

Relevant Documents

Working Paper on the Proposed Multi-Donor Trust Fund for Forests, Outline of Modalities and Requirements (Third Revised Version). Hanoi, June 2003.

Memorandum of Agreement between Contributing Donors to the Trust Fund for Forests in Vietnam 2003–2006 (Transition Phase). October 2003.

Proposal for the Establishment of the Trust Fund for Forests (TFF). Ministry of Agriculture and Rural Development, Hanoi, June 2004.

Agreement between the Government of the Republic of Finland and the Government of Socialist Republic of Vietnam on the Financial Support to the Multi Donor Trust Fund for Forests. Helsinki, November 2004.

Joint Review of the Trust Fund for Forests (TFF). Review, Options and a Roadmap of Critical Decisions. Final Report. April 2006.

Fiduciary Risk Assessment. Draft Report, Annex C – Risk Profile and Risk Assessment. KPMG, 2006.

Fiduciary Risk Assessment on the Trust Fund for Forests. Final Report. KPMG, November 2007.

Decision: Establishment of the Trust Fund for Forests (TFF). Minister of the Ministry of Agriculture and Rural Development. Socialist Republic of Vietnam. Hanoi, January 2007.

Indufor Oy 2009 Second Major Evaluation. Trust Fund for Forests (TFF). Final Report. Hanoi and Helsinki, June 2009.

6.4 Lao People's Democratic Republic

Forestry sector development in Lao People's Democratic Republic (Lao PDR) has been manifold. There has been growing interest towards sustainable management of natural resources, including forests, but many constraints have and still hinder sustainable forms of development. A sector analysis conducted collaboratively by the World Bank, Government of Finland and Swedish International Development Cooperation Agency (Sida) in 2000–2001, stated that several problems, which cause inefficiency and waste of resources, remain in governance and management of production forests in Lao PDR. It was concluded that forest sector could contribute to poverty reduction and development on the country much more if its constitution was improved.

In 1996, a forest law and selected implementing regulations were introduced and in 1999–2000, national criteria and indicators for Sustainable Forest Management were developed. A PM Decree 59 on Sustainable Management of Production Forests, approved in May 2002, presents a concrete step forward in making participatory forestry management a dominant approach for bringing the country's production forests under sustainable management. The Sixth National Socio-Economic Development Program 2006–2010 (2006) and National Growth and Poverty Eradication Strategy (2004) both have objective relating to rural development and forestry sector development. Forestry is especially important for the development of the nation's economy. In addition, a Forestry Strategy 2020 (2005) has been elaborated and the country has an objective of increasing forest cover to 60% by 2020. The strategy also includes a Forest Vision for 2020, which recognizes the need to reverse negative forestry trends by, for example, improving the legislative framework.

Finland has worked in Lao PDR in cooperation with the World Bank in two programmes during the 21st Century. Both programmes are follow-up of the For-

est Management and Conservation Programme (FOMACOP), implemented from 1995 to 2000 and funded collaboratively by Finland, World Bank, Global Environment Facility (GEF) and Government of Lao PDR. In addition, an initiative to pilot Criteria and Indicators for SFM and certification was linked to and emerged out of FOMACOP.

The FOMACOP was evaluated by several experts as a very successful project. It was also evaluated by the Evaluation of Finnish Forest Sector Cooperation of 2003. According to the evaluation, FOMACOP represented a piloting of new approaches in Lao PDR and fitted well with stated objectives of Government of Lao PDR. It notes that through FOMACOP, MFA has played a significant role in difficult and politically sensitive “journey” of village involvement in SFM. Also, the partnership experiment between World Bank and Government of Finland through FOMACOP has been successful.

Although Lao PDR is not a long-term partner country of Finland in development cooperation, significant forestry projects have been realized in the country, which serve as useful learning opportunities for future Finnish cooperation in the forestry sector. In addition, Finland is planning new projects in Lao PDR. Finnish disbursements of Official Development Assistance (ODA) to Lao PDR during 2000–2008 are presented in Table 4. The forestry strategy defines improving the policy and incentive framework enabling the expansion of participatory sustainable forest management, benefit sharing mechanisms and participation and support to REDD piloting as key areas in forestry sector cooperation with Lao PDR. Work in Lao PDR will be done within the SUFORD project.

Relevant Documents

Lao PDR 2004 *National Growth and Poverty Eradication Strategy (NGPES)*. LAO People’s Democratic Republic. (electronic).

Lao PDR 2005. *Forestry Strategy to the year 2020 of the Lao PDR*. LAO People’s Democratic Republic. (electronic).

Lao PDR 2006. *Lao PDR Sixth National Socio-Economic Development Program (2006–2010)*. Committee for Planning and Investment. LAO People’s Democratic Republic, Vientiane. (electronic).

Table 4 Finnish ODA to Lao PDR in 2000–2008.

Year	ODA: Total Net (USD millions current)	Forestry Project disbursements (USD millions current/ USD millions constant, 2007)	Forestry Project Name	Channel of Delivery/ MFA Intervention Code
2000	1,9			
2001	1,5			
2002	1,3	0,07/ 0,11	Forestry Sector Development Program	74500101
		0,14/ 0,22	Sustainable Forestry Project	World Bank 74501201
2003	2	0,09/ 0,12	Forestry Sector Development Program	74500101
		0,57/ 0,73	Sustainable Forestry Project	World Bank 74501201
2004	2,55			
2005	2,57			
2006	2,4	1,67/ 1,87	Sustainable Forestry Project	74501201
2007	3,7	2,35/ 2,35	Sustainable Forestry Project	World Bank 74501201
2008	3.1	2,3/ 2,11	Sustainable Forestry Project	World Bank 74501201

Source: OECD/DAC 2009.

6.4.1 Pilot Forest Certification Project 2002–2003

One component of FOMACOP was the development of forest certification, which was not finalized during the project. Closely related to certification, Finland financed as a separate project the development of criteria and indicators for Lao's forests. The Lao authorities decided, after considerations, that this development work should be continued as a pilot project supported by Finland and the World Bank. The purpose of the pilot project, implemented by Indufor Oy, was:

- To study ways in which certification is done in Lao, possible benefits of forest certification, and thrive to get certifications to the forests of pilot area.

The objectives of the Pilot Forest Certification Project were:

- (i) Further improving the quality of forest management in project areas building on already established management systems and enhance sustainability by providing market incentives to practice sustainable forestry.
- (ii) Identifying the pre-conditions needed to make forest certification work in Lao PDR and contribute to the development of the national policy/approach/procedures for forest certification.
- (iii) Studying benefits and costs related to forest certification and assess its feasibility in the promotion of Sustainable Forest Management (SFM) taking into account the prevailing level of forest management and available human and financial resources
- (iv) Strengthening national certification capacity and enhance awareness about potential benefits from forest certification and chain of custody operations.
- (v) Using pilot certification experiences in developing goals and principles for SFM applicable in participatory management of natural forests and improving the policy and regulatory framework.

Relevant Documents

Tender. Pilot Forest Certification Project in Lao PDR. Indufor, March 2002. (manual).

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6.4.2 Sustainable Forestry and Rural Development Project (SUFORD) 2003–2008, 2009–2012

MFA Intervention Code: 74501201

Budget (OECD/DAC 2009):

2002: Finnish support 140 000 USD

2003: Finnish support 570 000 million USD

2006 Finnish support 1,67 million USD

2007 Finnish support 2,35 million USD

2008 Finnish support 2,3 million USD

2009–2012: Finnish support 9 million EUR

SUFORD is a follow-up project of FOMACOP focusing on introducing participatory management of production forests nationwide and part of a larger attempt to bring Lao's forests under sustainable management. It is a multilateral cooperation project between the GoL, GoF and the World Bank. The implementing agency is the National Agriculture and Forestry Extension Service (NAFES) under the Ministry of Agriculture and Forestry (MAF), responsible for administration and coordination.

According to the pre-appraisal document (Impact Consulting Oy Ltd. 2002) of the project, the experience gained from the former pilot participatory sustainable forest management activities in the FOMACOP were valuable and their continuation would give further insight to the role of forestry in poverty reduction; the lessons learnt could later be used to develop Finnish assistance to forestry sector in other countries.

The project field sites include Khammouane, Savannakhet, Saravan and Champasack provinces covering eight Production Forest Areas with total area of about 656, 000 ha (Concept Note 2008).

The project contains the following four inter-related components:

- Support to Services for Sustainable Forest Management
- Sustainable Forest Management and Village Development
- Sectoral Monitoring and Control
- Project Management

The primary objectives of the project are:

- (i) Promoting sustainable management and protection of natural forests to alleviate poverty in rural areas.
- (ii) Enhancing the contribution of forestry to the development of national and local economies on a sustainable and equitable manner.

The development objectives of the project are:

- (i) Improving the policy, legal and incentive framework enabling the expansion of sustainable, participatory forest management throughout the country.
- (ii) Bringing large areas of natural forests in three or four selected provinces under sustainable management through state and village forestry management systems.
- (iii) Promoting community development addressing priority needs of villagers and to alleviate poverty in the project areas.

The project became effective in February 2004. The beginning of the project was rather slow and it was rated as unsatisfactory. However, after the Mid-Term Review in

autumn 2005 (Impact Consulting Oy Ltd. 2005), the project was re-organized, which improved the situation of the project significantly. Later, two supervision missions were carried out by Government of Finland and World Bank and the project rating was officially rated to satisfactory. The program was also extended until the end of 2008 as World Bank funds were still available and Finland subsequently extended it funds to cover the same period as World Bank Funds (originally the Finnish funds were planned for a project period of 2003–2007).

After the end of 2008, the project was extended another time and the plan was to extend the project area with five new provinces. The plan was to fund the technical assistance of the project with about nine million euros during four years. In 2008, the following areas were recognized as in need for improvement (Concept note 2008):

- Methodologies, which are necessary to ensure future timber production opportunities in sub Forest Management Areas that are degraded or under-stocked, need to be developed further.
- Facilities and structures for maintaining the improved skills of staff members in the participating organizations have to be created.
- Gender issues need to be made clear and understood among all staff members at all levels.
- The project and its staff should work more directly with the regular staff of implementing organizations
- Rapidly changing socio-economic and policy environment in Lao PDR needs to be considered.

This project would be of interest to the evaluation because it combines the objective of poverty alleviation, rural development and community forests themes which are important for future Finnish forestry sector cooperation. It is especially interesting to evaluate, how the project has succeeded in the sustainability component, i.e. has forestry practices contributed to stabilizing and improving the livelihoods of people and if yes, are the result likely to be sustainable? In addition, the project includes technical capacity building, strengthening of monitoring and statistical capacities of Lao's forestry administration, something that could provide useful learning lessons for future projects including capacity building components. Another interesting point to look at is how the project has succeeded in coherence with Lao PDR's own development plans.

Relevant Documents

(The Mid-Term Review MTR of 2005 is especially interesting because the project was facing serious problems at the time of its planned preparation and lot of hope was concentrated on the MTR to solve the conflicting issues. It was considered by GoF representatives visiting the project as a last opportunity to ensure that the development objective of the project can be met).

Terms of Reference for a Team of Consultants to assist with the preparation of a Sustainable Forestry Project. World Bank/ Finnish Trust Fund.

Project Preparation Report. Volume I. Sustainable Forestry and Rural Development Project Lao People's Democratic Republic, Ministry of Agriculture and Forestry.

Project Component Document. Technical Assistance for the Sustainable Forestry and Rural Development Project. Helsinki, March 2003.

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Quarterly Progress Report April-June 2005. National Agriculture and Forestry Extension Service. Vientiane, August 2005.

Draft Mid-Term Report. Sustainable Forestry and Rural Development Project. Government of Lao PDR and Finland- World Bank. August 2005.

Impact Consulting Oy Ltd. Satu Ojanperä and Markku Siltanen 2005 *External Mid-Term Review Report*. December 2005.

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Sustainable Forestry and Rural Development Project. Report on the Audit of, KPMG, May 2007.

Support to Development of Production Forestry and Rural Development in Lao PDR. Concept Note. Ministry of Agriculture and Forestry, National Agriculture and Forestry Extension Service. March 2008.

The Co-operation in the Sustainable Forestry and Rural development Project. Amendment No. 2 to Agreement between the Government of the Republic of Finland and the Government of Lao's Democratic Republic on. December 2008.

6.5 Regional Programmes in Central and South America

Central America consists of seven countries with total population of about 40 million: Belize, Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica and Panama. Panama and Costa Rica are the most developed countries in the area. Central America is one of the long-term partners of Finnish regional cooperation. The central themes of cooperation are regional integration between the countries, regional stability and poverty reduction. At the moment, Nicaragua is the only long-term partner country of Finland in Latin America. Finnish disbursements of Official Development Assistance (ODA) to South America Regional Projects during 2000–2008 and the Central America forestry Programme are presented in Table 5.

In South America, Finnish cooperation has been important, for example, in the Amazon area. Examples of countries include, for example, Peru, Ecuador, Bolivia and Brazil. Peru is in ninth place in the world in terms of the area of its forest resources and second place in Latin America (104.9 million hectares of forest land or potential forest land). Average annual deforestation is estimated at 260 000 ha. Ecuador has 12.4 million hectares' forest cover (44.8 percent of its total land area). About 17 percent of the country is protected, forming a network of more than 20 national parks and reserves. The annual deforestation rate in Ecuador is about 1.2 percent (137 000 ha). Within the framework of Ecuador's Strategy for Sustainable Forestry Development, the forest policy's main objectives include, stopping the loss of native forest and ensuring social participation, among others. In Bolivia, roughly half of land area is covered by natural tropical forests (53.1 million hectares). Brazil has the largest expanse of tropical forest in the world and approximately 64 percent (about 544 million hectares) of its territory has some form of forest cover (FAO 2010).

In the Central America, the future Finnish support focuses on the Mesoamerican Agroenvironmental Programme (MAP), policies for agroforestry and silvopastoral systems, smallholder timber production and forest plantation and integrated forest landscape management. Regional FLEG and REDD support is under planning (MFA 2009a).

In the Andean regional cooperation, the focus is on implementing new incentives for sustainable forest management and forest conservation, Payments for Environmental

Services (PES), REDD, Clean Development Mechanism (CDM). Support will cover Peru, Ecuador, Colombia and Bolivia (MFA 2009a).

The Latin America forestry projects weren't part of the previous forestry sector evaluation of 2003. That is why it would be important to include at least one of these regional programmes into the upcoming evaluation. Especially PROCAFOR is interesting because it offers important lessons learned for the future Mesoamerican Agroenvironmental Programme.

Table 5 Finnish ODA to South America Regional Projects in 2000–2008 and in addition, Central America Forestry project in 2002–2003 (not included in the total net ODA).

Year	ODA: Total Net (USD millions current)	Forestry Project disbursements (USD millions current/ USD millions constant, 2007)	Forestry Project Name	Channel of Delivery/ MFA Intervention Code
2000	0,8			
2001	1,08			
2002	3,15	1,3/ 2	CENTRAL AMERICA FORESTRY	38901401
		0,5/ 0,7	Support to Sustainable Forestry in Amazon	48902101
2003	2,1	1,4/ 1,8	CENTRAL AMERICA FORESTRY	38901401
2004	3,39			
2005	4,45			
2006	7,09			
2007	6	0,01/ 0,01	Study on Forest Harvesting in Argentina and Uruguay	Managed by Finnfund, carried out by Indufor Oy 489TIT01
2008	10	0,1/ 0,08	Forestry Policy and Administration Management	Managed by Finnfund, carried out by Indufor Oy 489TIT01

Source: OECD/DAC 2009.

6.5.1 Sustainable Development of Amazonian Forests

MFA Intervention Code: 489 02101

Budget (OECD/DAC 2009)

2002: Finnish support 0.5 million USD

The Amazon forest became a subject of concern in the beginning of the 90s. Both international community and the Amazonian countries themselves started to look for ways to act in order to protect this threatened natural resource. The Amazon Cooperation Treaty (ACT) was established already in 1978 by the countries that share the Amazon basin, i.e. Peru, Bolivia, Brazil, Suriname, Venezuela, Ecuador, Guyana and Colombia. In order to strengthen the implementation of the Treaty, an Amazon Cooperation Treaty Organization (ACTO) was established in 1995. Three years later, an amendment to the ACT was approved and the Permanent Secretariat was established in Brasilia in December 2002.

In 1995, at a meeting hosted by the Pro Tempore Secretariat of the ACT, the countries approved a Tarapoto Proposal to start developing decision-making mechanisms that would enable sustainable development of the Amazonian forests. The proposal also recognized the commitments made by the Amazon countries to implement the agreements adopted at UNCED. In addition to ACT partner countries, the meeting was attended by representatives of the FAO, the EU, the World Resources Institute (WRI) and the UNDP, and by national institutions and entities as observers. Finland supported the follow-up/workshop mechanism of the Proposal, the consultative meetings between the ATC countries and national consultations.

The objectives of the Proposal were:

- (i) Engaging Bolivia, Colombia, Ecuador, Peru and Venezuela ACT member countries in the discussion and research on sustainable forest development for the Amazonia.
- (ii) Assisting in developing the capacity of local institutions to lead the Amazon countries toward forest sustainability.

The Proposal had selected 12 sustainability criteria that were grouped into three categories: National level, Management level and Services at global level, each with several indicators (altogether 77) (Proposal of Criteria and Indicators for Sustainability of the Amazon Forest 1995).

National consultations and policy analysis within participating countries were the core of the Proposal. They were an important effort to improve and consolidate the original Proposal and also to guarantee adequate participation for the next regional meeting held in 2001.

The general objective of the consultations was:

- To analyze the relevancy of the criteria and the applicability of the indicators to assess the Amazon Forests' Sustainability in the economic, ecological, political, social and institutional context of each country.

The national consultations offered a possibility to identify the capacities and limitations of public and private institutions and the need to establish technical and scientific mechanisms and procedures for the systematization and analysis of the information to support decision-making. Between December 1996 and February 1999, seven national consultations were finalized of which five (Bolivia, Colombia, Ecuador, Peru and Venezuela) with the financial support from Finland and technical support from FAO. The consultations by Guyana and Suriname were supported by the FAO project of Support to the PTS-ACT. Later in 2000, national consultation by Brazil, the biggest partner country of Amazonian Cooperation Treaty, was supported by Finland. After concluding the national consultations, a consolidated report of the consultations was produced, named *Propuesta de Tarapoto Sobre Criterios e indicadores de Sostenibilidad del Bosque Amazónico. Informe de las Consultas Nacionales*.

The national consultations supported the Second Regional Meeting on the Amazon Forests' Sustainability Criteria and Indicators, held in June 2001. The meeting allowed revision of the applicability of the indicators. It identified a group of 37 indicators, corresponding to 11 criteria, which would be revised periodically within the Tarapoto Process. As a result of the meeting, Tarapoto Process was launched as a continuation of the Tarapoto Proposal. Later, the Tarapoto Process on the Amazon Forests' Sustainability Criteria and Indicators (2001) was published by the Pro Tempore Secretariat.

Together with processes such as the Helsinki Process and the Montreal process in the first half of the 1990s, the Tarapoto Process has been one of the most important international processes in the field of Criteria and Indicators for Sustainable Forest Management. It is of importance to the Evaluation because of this reason but also because, as mentioned before, Finnish regional cooperation with the Andean countries in the field of sustainable forest management still continues.

Relevant Documents

Proposal of Criteria and Indicators for Sustainability of the Amazon Forest. Results of the Regional Workshop. Pro Tempore Secretariat, Lima, September 1995.

Implementation of Criteria and Indicators for Sustainable Development of the Amazon Forest in the Andean Countries. Amazon Cooperation Treaty, Pro Tempore Secretariat. October 1996.

Administrative Report 1994–1997. Amazon Cooperation Treaty Pro Tempore Secretariat, Lima, March 1997.

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Agreement between the Ministry of Foreign Affairs of Finland and the PRO TEMPORE Secretariat of the Amazon Cooperation Treaty. Progress Report. Caracas, June 2000.

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Tarapoto Process on the Amazon Forests Sustainability Criteria and Indicators. Amazon Cooperation Treaty, Pro Tempore Secretaria, La Paz, 2001.

Elaboración de la Propuesta de Proyecto Regional para la Validación de los Criterios e Indicadores de Sostenibilidad del Bosque Amazónico. Términos de Referencia para Consultoría, Septiembre 2002.

Informe Financiero sobre la Utilización del Remanente de la Cooperación Finlandesa a la Secretaría Pro Tempore del Tratado de Cooperación Amazónica. La Paz, 2003.

6.5.2 Central American Forestry Programme (PROCAFOR), Phase III, 1999–2003

MFA Intervention Code: 38901401

Budget:

1991–2003: total of about 24 million EUR

1999–2003 (Phase III): Total of 13,1 million EUR of which Finnish support 8, 4 million EUR

National Projects:

- Guatemala: Finnish support 1,9 Million EUR, partner country 860 000 USD
- Honduras: Finnish support 2,1 Million EUR. partner country 500 000 USD
- Nicaragua: Finnish support 1, 9 Million, partner country 667 000USD

Component I (1999–2001): total Finnish support 1, 4 Million EUR
Component II: total Finnish support 324 151 EUR, Costa Rica 212 174 EUR
Component III: total Finnish support 583 864 EUR, Partner Country 113 832 EUR

The planning for PROCAFOR, a joint initiative of the Central American governments and the Government of Finland, was carried out already in 1989–1990. Implementation of the Programme started in March 1992. There were two key factors identified as obstacles for forest based rural development in Central America as a result of the planning process:

- Low contribution of forestry activities to the local population and to rural economy in general.
- Low institutional capacity to produce, transfer and disseminate information and technologies relevant to small forest owners needs.

The Programme has been implemented in three Phases: Phase I from 1992 till 1996, Phase II from 1996 till 1998 and Phase III from 1999 until 2003. The goal has been to respond to the above mentioned obstacles by introducing forestry activities as an integral and sustainable part of the farm economy. The underlying idea of the Programme is that deforestation can be stopped only if the rural families and communities can benefit more from sustainable forest management and utilization than from converting the forests to other, often unsustainable, forms of land-use.

PROCAFOR has consisted of both national projects, implemented directly in the rural areas, and regional projects aimed at training, research and transfer of experiences related to the objective of the Programme:

The development objective of the entire PROCAFOR programme is:

- To integrate forestry activities with the rural economy in an economical and environmentally sustainable manner in the areas covered by the project.

The fulfillment of the goal was carried out through different activities and several specific programmes, for example:

- Programme coordination/ strengthening of Horizontal Cooperation (1992–2003)
- Forestry and Agroforestry Training and research in Central America (1992–1995)
- Centre for Forest Management, Utilization and Small-scale Forest-based Industry (CEMAPIF) (1992–1997)
- Central American Forestry Journal (1992–1997)
- Management and Utilization of Natural Coniferous Forests in Honduras, Guatemala and Nicaragua (1992–2003)

The Phases I and II are summarized in *Resumen del Programa (1998)*. In order to guarantee sustainability of the positive process started during the previous phases and to increase the impact of the results achieved so far, it was recommended that the Programme would be continued. Thus, Phase III had two major challenges:

- To increase vastly the impact of the Programme in terms of both the socio-economic benefits to the rural population and the area of coniferous forests under sustainable management.
- To ensure the sustainability of the activities of the Programme through their transfer to the appropriate governmental and non-governmental actors.

The Phase III (1999–2003) consisted of three National Projects (Management and Utilization of Natural Coniferous Forests in Honduras, Guatemala and Nicaragua) and a Regional Project with three components:

- Horizontal Cooperation and Regional Cooperation
- Formation of Human Resources in Central America
- Corporate Management and Commercialization

In a Review of the Programme in 2002 (Finnconsult Oy 2002), the development objective of PROCAFOR was assessed as relevant in a context where the mechanisms of access to forest resources by the rural communities are not well-defined. In addition, the focus of the Programme was seen as very relevant in the context where diminishing the state role is desired. Some of the main recommendations of the Review included:

- Technical manuals should be adjusted to the reality of the rural communities.
- Participation of women should be actively encouraged.
- Continuation of PROCAFOR after twelve years of operation is not justified for example because twelve years is a period long enough to have an impact on forestry development and also because GoF should look for new ways to support forestry sector in Central America.
- The Programme should be evaluated in two years after its termination.

The rest of the recommendations and country specific recommendations can be read from the Review (Finnconsult Oy 2002).

According to an Audit for PROCAFOR extension of Phase II (i.e. Phase III) (KPMG 2003), the technical assistance provided to the Programme by the consultant was highly appreciated and had the impact of improving the knowledge and education standard of local forestry technicians and expertise in the forestry sector in Central America. In addition, it was noted that guidelines and tools for forest management had been established, which had improved the economy in the communities of the Programme area. However, there was some criticism on poorly defined ownership of

the Programme and transparency issues. It was also noted that the same consultancy company had made the evaluation and the planning of the continuation of the Programme. In addition, the microfinance component within the Programme had failed because of mismanagement of the component, which was administrated by national credit institutions.

A mission report by outsourced Forestry Adviser Markku Siltanen in October 2003, gave several recommendations for the last months of operation of the Programme and phasing out for each country (Nicaragua, Honduras and Guatemala). According to the report, PROCAFOR had shown that the forest resources with appropriate and sustainable management and utilization can improve the rural livelihoods and create significant income in rural areas thus reducing poverty in the rural areas of Central America. The main problem had been mainly that community forestry hadn't been presented very clearly to the authorities responsible of the Poverty Reduction Strategies of Guatemala, Honduras and Nicaragua. The report also recommended that the results and lessons learned from PROCAFOR should be widely distributed and that the Programme should be evaluated before the end of the 2005.

It can be said that PROCAFOR is one of the largest efforts by the Finnish Government to improve rural livelihoods by promoting community forestry and it would be very interesting to take it as part of the upcoming evaluation. As mentioned in the beginning, it also serves as a valuable Programme for lessons learned for the future Finnish Cooperation in Central America.

Relevant Documents

Project Document. Ampliación de Fase II, 1999–2003. *Resumen General del Programa*. July 1998.

Project Document. Ampliación de Fase II, 1999–2003. *Componente I, Cooperación Horizontal*. July 1998.

Project Document. Ampliación de Fase II, 1999–2003. *Componente II, Gestión Empresarial y Comercialización*. July 1998.

Project Document. Ampliación de Fase II, 1999–2003. *Manejo y Utilización Sostenida de los Bosques de Coníferas de Honduras*, MAFOR. July 1998.

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Informe Anual 2002. *Manejo y utilización sostenida de bosques naturales de coníferas en Guatemala*. Guatemala, Marzo 2003.

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Informe de Terminación del Proyecto. *Manejo y Utilización Sostenida de Bosques Naturales de Coníferas en Guatemala*. Guatemala, Noviembre 2003.

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6.6 Western Balkans

Western Balkans is a geographical area including Albania, Bosnia-Herzegovina, Kosovo, Croatia, Macedonia, Montenegro and Serbia. These are the poorest countries in Europe and all entitled to Official Development Assistance (ODA). The countries in the Balkans are in transition towards market based economies. The general development goal of the EU as well as Finland in the area, taking into account the history of the area and big changes in the society, is to support regional security and stability and countries' development towards integration in the EU. Finnish disbursements of ODA to Western Balkans region during 2000–2008 are presented in Table 6.

Finland's forestry sector projects in the Western Balkans during the 21st century have been realized in Serbia, Montenegro and as a regional forest policy and economics education and research project in the Western Balkans. Forest sector has been one of the main sectors in cooperation with Serbia and Montenegro. The European Forest Institute (EFI) has been and still is an important partner in the forestry sector cooperation, especially in the field of forestry education.

Finland's new Framework Programme for 2009–2013 in the Western Balkans is built on four, inter-related themes (MFA 2009):

1. Stability and Safety
2. Trade and Development
3. Environment, including forests and forestry
4. Social Development

The volume of the entire Programme is EUR 38 million. Environment is a focal issue of the regional cooperation in the Western Balkans. Finnish cooperation in the area has been moving away from isolated projects towards regional projects, with cross-national themes and support to regional integration. The focus in the forestry sector will be on forest policy, economics, education and research.

Forestry cooperation in the Western Balkans wasn't assessed in the previous evaluation (2003). For this reason and because of the new strategy for Western Balkans with emphasis on environment, it would be important to include the region in the upcoming evaluation.

Relevant Documents

MFA 2009 *Western Balkans – Finland's Development Policy Framework Programme for the years 2009–2013*.

Table 6 Finnish ODA to Serbia (S) and Montenegro (M) in 2000–2008.

Year	ODA: Total Net (USD millions current)	Forestry Project disbursements (USD millions current/ USD millions constant, 2007)	Forestry Project Name	Channel of Aid Delivery/ MFA Intervention Code
2000	11,26 (S)			
2001	12,8 (S)			
2002	9 (S)			
2003	7,9 (S)			
2004	35,87 (S)			
2005	8,5 (S)			
2006	9.5 (S)	0.008/ 0.009	Environmental GIS for Montenegro	Through UNDP 86206101
		0.6/ 0.7	Forestry Training (in Balkan Region)	86205801
		0.6/ 0.7	Support to Forestry Sector (in Serbia and Montenegro)	86205701
2007	4.9 (S) 0.9 (M)	0.1/ 0.1	Environmental GIS for Montenegro	Through UNDP 86206101
2008	16.8 (S) 0.5 (M)			

Source: OECD/DAC.

6.6.1 Support to Forestry Sector in Serbia 2004–2010

MFA Intervention Code: 86205701

Budget:

Total Funding: 1 522 110 million EUR of which Finnish support 1 265 000 Million EUR

In April 2003, Technical Cooperation Project (TCP) funded by FAO and hosted by the Directorate of Forestry, was launched to support the development of a modern and adequate policy and legal framework for sustainable forestry development in Serbia.

The objectives of the assistance, which was completed in March 2005, were:

- (i) National forest policy statement to be submitted to the Government for official adoption.
- (ii) Draft new forest law to be submitted to the Parliament.
- (iii) Framework for organizational improvement.
- (iv) Building up of national capacity for participatory and strategic planning.

The Support to Forestry Sector in Serbia project is a follow-up to this strategic planning process and it was proposed as a trust fund project to be financed by the Government of Finland and implemented by the Directorate of Forests of Serbia with the technical assistance of FAO. The project became operational in February 2005 and its field implementation started in June 2005. The total implementation period was from June 2005 to May 2008.

The Overall Project objective was:

- Support the development of the forestry sector in Serbia so as to ensure the sustainability of the use and conservation of forest resources in order to make a more significant contribution to the national economy and to the reduction of rural poverty.

The Project purpose was:

- National forest policy being actively implemented in Serbia by all relevant stakeholders, following a commonly agreed framework plan.

The immediate objectives were:

- (i) Institutional capacity building for the development of the national forest programme of Serbia.
- (ii) Support to the sustainable development of forest based enterprises.

The programme was extended up to June 2010 due to un-spent funds at the end of the project. The extension was justified by the possibility to bridge gaps between the activities finalized in May 2005 and the implementation of possible future programs, the need for Serbia to adopt new and modern legislation consistent with EU requirements and the importance to further develop the National Forestry Action Programme (NFAP) as a tool for the Government in directing potential investments and development programs in forest sector.

It was concluded that the Forestry Sector Programme produced a comprehensive framework for sustainable forest sector reform, including forest policies, forestry and hunting legislation, a national forest action programme, a concept of an integrated forestry information and monitoring system, public forestry administration and service, innovative public forest financial mechanisms and sources, and support to private forest sector (forest owner's associations and small sized enterprises).

Relevant Documents

Institutional Development and Capacity Building for the National Forest Programme of Serbia. Project Document. FAO.

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Forest Sector Development in Serbia 2006. Project Progress Report from January to June 2006. FAO/ Trust Fund Programme. July 2006.

Hilmi H A 2006 *Forest Sector Development in Serbia*. Report of a Mid-Term Review Mission by. FAO/GCP/FRY/003/FIN –. December 2006.

Forest Sector Development in Serbia 2007. Project Progress Report from July to December 2006. FAO/ Trust Fund Programme. January 2007.

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Forest Sector Development in Serbia 2009. Project Progress Report from January to September 2009. FAO/ Trust Fund Programme. September 2009.

6.6.2 Forest Policy and Economics, Education and Research (FOPER I+II), 2004–2011

MFA Intervention Code: 86205801

Budget:

Total budget (2004–2009): 3, 9 million EUR of which Finnish support (2004–2011) 3, 3 million EUR.

FOPER focuses on strengthening capacities of higher forestry education and research in the fields of forest economics and forest policy. It started in 2004 and the second phase, FOPER II, has recently continued the work. The project was financed by Finland and implemented by EFI. The latter acted as a coordinator, too. The project covered faculties of forestry and forest research institutes/agencies in Croatia, Bosnia and Herzegovina, Serbia, Macedonia, Montenegro and Albania. The purpose of the project was strengthened capacity established for modern forest policy and economics education, training and research in the Western Balkans Region.

The objective of the project was defined as:

- Increased contribution of forest sector in Western Balkans countries to national economies, to reduction of poverty and inequalities, to environmental sustainability and to cultural development.

The Expected results were:

1. Needs and current capacities of forest policy and economics education/training/research in Western Balkans region analyzed.
2. Implementation plan and facilities available for starting forest policy and economics education/training for Western Balkan region, consisting of international M.Sc. course and continuous education coursed.
3. Forest policy and economics experts trained to respond to the needs of on-going forest policy processes
4. Forest science -policy interface strengthened in Western Balkans region.
5. Support given to improvement of B.Sc. level forest policy and economics education in Western Balkans forest faculties.
6. Continuity/sustainability of the training programme secured.

FOPER I was evaluated as a necessary project in the area of implementation and EFI as a good coordinator and implementer. Especially, efforts made in networking in forest sector in the target region were appreciated. Also the regional scope of the project was seen as important and positive element. One of the concerns according to the Mid-Term Review of 2009 (Indufor Oy 2009) was, however, sustainability aspect especially in the case of B.Sc. level forest policy and economics education. This was one of the reasons to continue with FOPER II that is to strengthen the sustainability of forest education. Other concern was that effectiveness of the project has suffered, to some extent, due to the complex project set up (many partners and recipient organizations).

The objective of FOPER II (2009–2011) is:

- To develop forestry sector in the Western Balkans so that it would support economically, ecologically and socially sustainable development in the area.

It will continue the international B.Sc. level forest policy and economics education and strives to ensure its sustainability. In addition, FOPER II seeks to strengthen the knowledge of forestry sector researchers and teachers. In FOPER II, EFI continues as a partner together with eight other, mainly forestry faculties and research units of partner countries, partners.

Because of its regional scope, this project could offer interesting and valuable insights to Finnish forestry sector cooperation. Moreover, as Finnish cooperation in the Balkan area as well as in the other regions of development cooperation will increasingly be regional, FOPER offers a possibility to look at Finland's success in regional cooperation.

Relevant Documents

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Forest Policy and Economics Education and Research (FOPER) 2007 Terms of Reference for Mid-Term Review. Ministry for Foreign Affairs of Finland, Unit for Western Balkans.

Consolidation of the Human Capacities in Forest Policy and Economics Education and Research in the South-East Europe Region (FOPER II). EFI/ FOPER 2008. Project Document, November 2008.

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Indufor Oy 2009 *Forest Policy and Economics Education and Research, FOPER*. Mid-Term Review, Final Report. December 2009.

6.6.3 Environmental GIS for Montenegro Phase I 2005–2007

MFA Intervention Code: 86206101

Budget (OECD/DAC 2009):

2006 80 000 USD

2007 100 000 USD

Total: 467 314 EUR of which Finnish support 410 000 EUR, Partner country 10 000 EUR, other financing 47 314 EUR

In order to support both Serbia and Montenegro equally, Finland engaged itself in supporting forestry sector also in Montenegro. Funding was requested by UNDP who administered the project. The Geographical Information System (GIS) is an effective way to collect basic data on forest resources, which is a prerequisite for development of sustainable forestry and forest policies as well as environmental coordination in general. The forests of Montenegro hadn't been inventoried before and government agencies lacked adequate information and information management systems so there was a real need to gather information about the state of forests in the country, especially as illegal logging is one of the biggest threats to the forest resources.

The project started in 2005 and it was divided into two phases. In the first phase (2005–2007), focus was on forestry and environmental protection. Necessary equipment and software were purchased and digital maps were produced, including training and field work for the local personnel. The most important maps produced were a National Land Cover Map and a Digital Elevation Map. During the second part of the first phase, the focus was on environmental analysis and modeling using the new land cover map and elevation model, reporting and preparing map series and distributing maps and statistics. In addition to the important maps, one of the main results was a Pilot Geo-Spatial Database.

After the first phase, the Government of Montenegro decided to set up a separate GIS- office, MonGIS, to serve both public and private sector. For the transition phase, institutionalization of the system, GIS-training and workshops, additional funding from Finland was requested (EUR 60 000). The purpose was that the resources and funding for the second phase of Montenegro GIS project would be channeled through MonGIS starting from 2008. The MonGIS would also serve as an institution that would be in charge of GIS data collection, availability and institutional capacity building. The Second Phase of the project was planned for technical consolidation of the system.

The overall project objective was:

- To improve management of natural resources through informed decision-making.

The immediate project objectives were:

- (i) Producing additional basic data and refine the existing data based on available paper data as well as remote sensing data.
- (ii) Building/Strengthening capacity for use of GIS in selected institutions.
- (iii) Using GIS/national geospatial data infrastructure to facilitate and improve communication between environmental institutions.

The project was build around following components:

- Integrating, digitizing and validating environmental data.
- Supporting ongoing initiatives.
- Sharing experience and data of the environmental GIS capacity Development unit.

According to the project evaluation in 2007, the most significant result of the first phase of the project was the potential application of GIS as a cross-sectoral planning tool. In addition, the project succeeded in producing large amounts of valuable data and concrete results. It managed to support forest management planning and bring about more effective working procedures. Some challenges were however faced, for

example with effective dissemination of the produced data. Other issue was the need for capacity building, which in this case requires reasonably long time.

This project would be interesting to look at because GIS systems are “hot topic” at the moment. It would be interesting to evaluate, what was the added value of Finnish know-how in this kind of a project where new technology and know-how is imported to the partner country and what could be done better.

Relevant Documents

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Application of GIS in the Environmental Sector in Montenegro 2007 Project Proposal: UNDP Montenegro, Podgorica, March 2007.

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Environmental Geographic Information System (GIS) for Montenegro 2007 Programme Completion Report, Phase I. April 2007.

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6.7 Mozambique

Mozambique has around 39 percent forest cover (30 million hectares) and forestry sector has an important role in the country, contributing 4 percent of GDP and supplying about 80 percent of the energy used. One of the problems of forestry sector in Mozambique is that it has been put aside as rural development has been prioritized. The Forest and Wildlife Law No.10/99 represents the main legislation controlling the forestry and wildlife sector and defines two main functional categories:

- Protected areas, which include national parks and national reserves in which harvesting is not permitted.
- Sustainable utilization areas, set aside exclusively for management on a sustainable basis, which include production forest areas, sports’ hunting (safari) areas, game farms and afforestation areas.

The challenges in developing forest sector include, among others, lack of information on country's forest and other natural resources and their importance to the national economy, weak human resources within the forest sector, small and underdeveloped industry and weak role of communities in natural resources' management. In 2005, a National Forest and Wildlife Programme (NFP) was drafted. Although not officially approved, it is considered as an important initiative in order to develop forest sector in the country. The NFP defines forestry sectors vision as "a forest and wildlife sector integrated, competitive and sustainable that generates economical, social and environmental benefits, and takes into consideration the interests of communities, private and public sectors".

Finland's development cooperation with Mozambique started in 1984 and the country has been one of Finland's main partner countries since 1987. Finnish bilateral cooperation in Mozambique has over the years concentrated in the agriculture, environment (emphasis on forestry), education and health sectors. Finnish disbursements of ODA to Mozambique during 2002–2008 are presented in Table 7.

In the medium term, the main sectors for Mozambican-Finnish development cooperation will be general budget support, health and education sectors, rural development and others. Forestry sector will also gain in importance, which makes Mozambique an interesting country to look at in the forthcoming evaluation together with the fact that the country wasn't part of the previous forestry sector evaluation.

In forestry cooperation, focus will be on Supporting the implementation of the National Forestry Programme (total of 11,4 million EUR during 2009–2014), policy and regulatory work, FLEG, research and training and support to community based businesses. The aim is to guarantee that the country's natural resources base including forests is not compromised in rural development. Support to Forestry Sector will be channeled as earmarked support through Agricultural Sector Investment Programme (PROAGRI) and through separate project financing for technical assistance and institutional cooperation. Ear-marked support to the forestry sector might, however, be a difficult issue since rural development is an important political question in Mozambique.

The revision of the National Forestry Programme is important because it was produced in 2005 and new issues raised thereafter are not included. During a Programme identification mission in May 2008, following gaps in the NFP were recognized:

- Lack of research activities, even if a weak knowledge base was identified as one of the constraints for the sector development.
- Promotion of formal training in forestry, forest industry and wildlife management. Training activities are part of NFP, but formal education in areas of interest for the forest and wildlife sector is not included.
- Role of forests in climate change, both in terms of mitigation and as part of adaptation strategy for the country.

In Africa as a whole, Finnish forestry sector cooperation will focus in the future on Climate change and development –recognizing the role of forest and water in climate change adaptation (Mozambique, Tanzania and Zambia). Regional planning is also on-going with possible themes of Climate Change/PES/SFM, cross-boundary forest fires (link to REDD), East African FLEGT support and user rights and tenure in West Africa (MFA 2009a).

Relevant Documents

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Table 7 Finnish ODA to Mozambique in 2000–2008.

Year	ODA: Total Net (USD millions current)	Forestry Project disbursements (USD millions current/ USD millions constant, 2007)	Forestry Project Name	Channel of Aid Delivery/ MFA Intervention Code
2000	11,6			
2001	10,6			
2002	11,8	0,7/ 1,1	Agricultural and Forestry Training	259 088 01
		2,2/ 3,3	Forest Inventory	25910601
		0,4/ 0,7	Forestry: Natural Resources Assessment	25912301

Year	ODA: Total Net (USD millions current)	Forestry Project disbursements (USD millions current/ USD millions constant, 2007)	Forestry Project Name	Channel of Aid Delivery/ MFA Intervention Code
2003	22	0,06/ 0,08	Agricultural and Forestry Training	259 088 01
		1,8/ 2,4	Forest Inventory	25910601
		0,9/ 1,1	Forestry: Natural Resources Assessment	25912301
2004	25,7			
2005	24,8			
2006	28,4	0.0678/ 0.0760	Improvement of Chemical Pulp Activities in Mozambique	Managed by Finnfund, carried out by JP Management Oy 259TTT02
		0.4139/ 0.4640	Forestry: Natural Resources Assessment	25912301
2007	32,8			
2008	40.2	0.0433/ 0.0398	Local Cooperation Fund (LCF) in Mozambique: Moamba Community Based Environmental Project	Embassy of Finland 25912301-48

Source: OECD/DAC 2009.

6.7.1 Agricultural Sector Investment Program (PROAGRI), 2005–2010

PROAGRI is a sector budget support intervention for agricultural development established in the mid-1990s. It is implemented and coordinated by the Ministry of Agriculture and Rural development. The Programme is funded by several donors of whom Finland is the second largest. The first phase, PROAGRI I, was scheduled to run for 5 years from 1998 to 2003 but was extended to 2005. The Partner Agencies provided financial and technical assistance in support of the Government Planning and Financial Management Systems, to augment the sector expenditure program for agricultural development through their respective, ongoing bilateral agreements.

After the first phase, the goal of PROAGRI II (2006–2010) was set to be “to contribute to poverty reduction and improved food security”. In September 2007, bilateral agreement between Finnish and Mozambican governments was signed to cover a period 2007–2009. In 2008, Finland decided to continue the support up to year 2010.

In the area of forest resources, the objective of PROAGRI is to jointly coordinate the national and international efforts to maximize the use of the financial, technical and institutional resources to ensure poverty reduction and the sustainability of forests and biodiversity. Finland has supported PROAGRI through two forest inventory projects. The projects are implemented within the framework of PROAGRI’s strategy and priorities although the administrative model is Finnish, with a consultant responsible of financial administration and support services. The other project is presented below.

6.7.2 Sustained Forest Resource Management Project in Zambézia and Inhambane/Forest Inventory, 1999–2005

MFA Intervention Code: 25910601

Budget:

Inception Phase (1999–2001) total: 846 765 EUR

Implementation Phase (2002–2004) total: 7 906 000 EUR of which Finnish Support 7 510 000 EUR, Mozambique 396 000 EUR

The first implementation phase of the project began in January 2002, after a long inception phase –from September 1999 till the end of 2001. Due to delays in the beginning of the project implementation, the project was extended for six months in the end. As the project title implies, the project was implemented in the provinces of Zambézia and Inhambane. In Zambézia Province, the key element of the project was working in the field through a community association in order to develop management strategy and sustain the conservation of Derre Forest Reserve.

The Overall Project Objective was:

- Improved social and economic conditions in the provinces of Inhambane and Zambézia, through sustainable forest management practices and greater access by local communities to forest resources.

The Project purpose was:

- Improved utilization of forest resources in the provinces of Inhambane and Zambézia through the participation of the communities in the sustainable management of the natural resources in the project areas, through strengthening of institutional capacity at central and local levels.

The three main components of the project were:

- (i) Forest inventories
- (ii) Community forest management
- (iii) Institutional strengthening of the Forest Service at central and provincial levels

Four main results expected to be achieved by the project were:

1. Enhanced institutional capacities of the Provincial Forests and Wildlife Services (SPFFB) for carrying out forest development strategies, development plans and application for the Forest Law.
2. National Forest Administration strengthened to support SPFFB in the implementation of strategic forest inventories and in its capabilities for development coordination.
3. Rural communities effectively participating in forest management planning and with access to forest resources.
4. Forest Inventory methodologies developed and available in line with planning needs nationally, provincially and in the private sector.

During the inception phase the Forest Inventory Unit in Maputo and Provincial Forest Services in Zambézia were strengthened. Staff training was carried out in GIS, GPS and satellite image interpretation, and the implementation of a pilot forest inventory, together with planning and implementation of the economic and ecological forest zoning of Zambézia province. The inception phase also identified core problems to be solved by the project. These were:

- Unsustainable exploitation harvesting of the forest and wildlife resources
- At the origin of the core problem:
 - a. Limited national and provincial capacity for effective forest management and utilization.
 - b. Insufficient data on forest resources.
 - c. Restricted access to the forest resource at community level impairs the economic sustainability of forest resource management and conservation.

In 2002, a Mid-Term Review (MTR) of the Project was carried out. It noted that policy environment in Mozambique was favorable to the Project and its objectives. In addition, it saw Finland's contribution to the forestry sector as very important because there weren't many donors in the sector, which is part of the rural development. The general view of the MTR was, after only nine months since the start of the project implementation, that the Project had already made a positive impact on natural resource management in terms of forest and watershed protection. The project was also considered as relevant for the communities and pilot areas in which the Project

is operational. Instead, the relevance was more moderate at the central level as the project was not doing much of capacity building there.

The project is of an interest for the evaluation because of future Finnish cooperation in the forestry sector in Mozambique. The aim of Finnish cooperation is to support updating of the national forest programme of Mozambique in order to meet the challenges posed by climate change. As this work requires work to consider the needs of communities dependent on the forests and the challenges posed by increased commercial logging, the Sustained Forest Resource Management Project in Zambézia and Inhambane could provide some lessons learned especially from community level cooperation.

Relevant Documents

Sartal Oy 2000 *Sustainable Management of the Natural Resources of the Inhambane and Zambézia Provinces, Mozambique*. Appraisal Report.

Sustained Forest Resource Management Project in Zambézia and Inhambane, Phase I: 2001–2004 Project Document. Forest Inventory Unit, Maputo, June 2001.

Sustained Forest Resource Management Project in Zambézia and Inhambane, Phase I: 2001–2004 Work Plan for July–December 2001. Forest Inventory Unit, Maputo, June 2001.

Agreement between the Government of the Republic of Finland and the Government of the Republic of Mozambique on Finnish Assistance to Sustained Forest Resource Management Project in Zambézia and Inhambane. November 2001.

Projecto Maneio Sustentado de Recursos Florestais na Zambézia e Inhambane. Unidade de Inventário Florestal 2002 Relatório Final da Fase de Instalação 1999–2001. Maputo, Janeiro 2002.

Relatório Trimestral e Financeiro, Janeiro-Fevereiro-Março. Ministerio da Agricultura e Desenvolvimento Rural, Direcção Nacional de Florestas e Fauna Bravia. Projecto Maneio Sustentado de Recursos. Maputo, 2002.

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Extension of the PMSR Project. June 2005.

Savcor 2005 *Plantation Investments in Mozambique with Focus on Zambézia Province*. Pre-feasibility Study on July 2005.

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Terms of Reference for Audit.

KMPG 2005 *Audit of Sustained Forest Resource Management Project in Zambézia and Inhambane*, Mozambique. December 2005.

6.8 Zambia

Although Zambia is regarded as one of the highly forested countries in Southern Africa with a forest cover nearly 50 percent of the total area of 752,600 km² (if other wooded land and trees outside forest are included, the total forest and tree cover sums up to almost 80 percent), the resources are under threat of degradation and deforestation. The causes for forest cover decline and degradation are manifold including shifting cultivation, forest fires, increasing demand for wood-based energy, over grazing and poverty. One of the main problems in managing the natural resources has been lack on updated data on the state of the resources, for example on forest cover.

Until the early 1990s, forestry development in Zambia focused mainly on industrial plantations and little attention was given to sustainable management issues in indigenous forests. In response to the FAO Tropical Forestry Action Plan of 1987, the Zambia Forestry Action Programme (ZFAP) planning process was initiated in 1995. ZFAP was undertaken as an integral part of the National Environmental Action Plan process, which was developed to incorporate environmental issues into social and economic policy and development planning. The outcomes of the ZFAP planning process include the National Forestry Policy (1998) and Forestry Act (1999). However, the Act has not been implemented yet.

In addition to the ZFAP, there have been a number of sectoral development programmes which are based on environmental principles in their formulation and implementation, including for example the Environmental Support Programme (ESP), Provincial Forestry Action Program (PFAP and PFAP II, 2000–2007), and Community Based Natural Resources Management Program (CBNRM) (1999–2003).

In October 2009, with support from UNDP, the Government of Zambia (GoZ) published a draft National Forestry Policy, which was defined as a review of the National Forest Policy of 1998. The new Policy addresses new challenges and other emerging issues including strategies related to the contribution of the forestry sector to poverty reduction and Zambia's national economy based on projects that anchored in the national sustainable development criteria, and carbon forests and trade.

Finland has a long history in supporting sustainable forestry in Zambia and it is a leading donor in the natural resources and environment sector. As a result of several concerns over Finnish support in the forestry sector in Zambia in the mid 1990s, combined with the general cuts to the Finnish aid budget, assistance to Zambia was

reduced but forestry support continued in the form of the SADC training project and the PFAP. In the last years, the support has focused on developing community forestry and forestry education. Other important supporters of forestry sector in Zambia have been FAO and the European Commission. Finnish disbursements of ODA to Zambia during 2002–2008 are presented in Table 8.

In the future, Finnish support in Zambia will be directed to joint forest management/ community-based management, sector reform processes (Zambia forest commission), bioenergy and charcoal production, PPP, forest resource assessments (FAO co-operation, REDD monitoring).

Zambia has been selected as one of the nine pilot countries for the global UN REDD Programme, launched in September 2008. The programme aims to assist tropical forest countries by establishing a fair, equitable and transparent REDD regime. The quick start will be funded as part of Norway's International Climate and Forest Initiative. The mandate of UN REDD is to support the Zambian government to be REDD ready by 2012 by having established a REDD program that effectively addresses deforestation and forest degradation with significant additional co-benefits. At the moment the forestry sector in Zambia is in need of new policy that provides a valid framework for restructuring the Forestry Department and an enabling environment for new challenges such as the National REDD readiness strategy.

Relevant documents

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National Forest policy (draft). Ministry of Tourism, Environment and Natural resources, Republic of Zambia. October 2009.

Indufor Oy 2009 *Zambia Draft National Forest Policy*. Desk Review. Helsinki, October 2009.

Table 8 Finnish ODA to Zambia in 2000–2008.

Year	ODA: Total Net (USD millions current)	Forestry Project disbursements (USD millions current/ USD millions constant, 2007)	Forestry Project Name	Channel of Aid Delivery/ MFA Intervention Code
2000	3,35			
2001	4			
2002	5.3	1,3/ 2	Forestry Sector Programme II	Forestry Department 28808602
2003	4.7	1,2/ 1,5	Forestry Sector Programme II	Forestry Department 28808602
2004	6			
2005	8,8			
2006	8,5	0,06/ 0,07	Forestry Sector Programme II	Forestry Department 28808602
2007	21,2	0,4/ 0,4	National Integrated Land Use Assessments	FAO 28813901
		0,4/ 0,4	Forestry Sector Programme II	Forestry Department 28808602
2008	16,5	0,1/ 0,1	Forestry Sector Programme II	Forestry Department 28808602

Source: OECD/DAC 2009.

6.8.1 National Integrated Land Use Assessment (ILUA I+II), 2005–2008 and 2010–2013

MFA Intervention Code: 28813901/2

Budget:

ILUA I Total (July 2007– June 2008): 1 203 760 USD of which Finnish support 412 000 USD, FAO support 474 000 USD, Zambia 317 760 USD.

ILUA II Total (2010–2011): 1 953 096 EUR of which FAO (Finnish) support 1 377 696 EUR, ENRMMP (Finland, Denmark, Government of Zambia) 575 400 EUR

Total 2012–2013: 2 million Euros

In 2002, the Zambian government requested FAO to support development of capacities to monitor land use and develop a system to manage land use. FAO offered technical and financial support and channeled outside funding to the Program. After the preparation phase, FAO and GRZ agreed on Technical Cooperation Program (TCP) in 2005. However, field work didn't start until 2006 and after starting it was delayed and eventually ceased. Additional financing to finalize the Program was requested from Finland for 2007–2008. The Forestry Department of the Ministry of Tourism, Environment and Natural Resources (MTENR) is responsible for the program implementation. Finland has been presented in the steering committee as an observer.

ILUA is based on FAO's National Forest Assessment and Monitoring System (NFMA) methodology, but additionally it has aimed at in-depth analysis and policy dialogue between stakeholders across inter-sectoral variables that cover data on resources and their use of forestry, agriculture and livestock. ILUA has supported the GoZ in building capacities to map land use and land use development, to collect, process and distribute reliable and updated information on land use to facilitate policy work related to land use planning in the country. It has served as a means to produce information on the state of forest and natural resources to be used by for example decision-makers and programme planners and in follow-up and sector planning.

The components of the program are:

- Capacity building
- Mapping
- Field work
- Establishment of land use database

The objectives of the assessment were:

- (i) Building capacities of relevant forestry and land use authorities and institutions.
- (ii) Supporting the pilot assessment of forest resources and land use.
- (iii) Building a database based on compiled data.

At the finalization of the project, all information was entered into the ILUA database, which forms the foundation of data analysis. Variables related to sectors beyond forestry (cropping, livestock, and environment) were included in the assessment. Consequently, information was obtained beyond forestry sector in order to give a wider perspective and therefore potential insight into the causes of land conversion, deforestation and forest degradation in Zambia.

In March 2009, continuation for ILUA was proposed. ILUA II is designed to be implemented during 2010–2013 under the Environment and Natural Resources Management and Mainstreaming Programme (ENRMMP), which has been launched to

bring improved coordination and implementation capacity to the environment and natural resource management sector in Zambia. The cooperating partners for the ENRMMP are Finland, Denmark, Norway and UNDP. The second phase of ILUA is needed especially to complement the defects of the first phase and to complete the database to correspond with the parameters of international reporting and treaties. In addition, the dissemination of data needs to be optimized.

The main outcome of ILUA is:

- Strengthened capacity in planning and implementation of SFM and REDD through better information, capacity building dissemination of information, and improved multisectoral dialogue.

The main outputs are:

1. Effective means of dissemination and utilization of the information for multi-sectoral dialogue.
2. Improved methodological and human capacity in collecting and analyzing forest resource information for Sustainable Forest Management, REDD monitoring and carbon inventory.
3. Implementation of ILUA II - Mapping and Field Survey.

Relevant documents

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Agreement between the Government of Finland and FAO on Support to National Integrated Land Use Assessments of Zambia. (electronic+manual) Annexes: Project Document for National Integrated Land Use Assessment, Zambia. July 2007– June 2008; ToR for Consultants. July 2007.

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ILUA II. Annex: Work Plan for ILUA II, July 2009. Draft Project Document 2010–2013.

6.8.2 Provincial Forestry Action Programme (PFAP II), 2000–2009

MFA Intervention Code: 28808602

Budget (OECD/DAC 2009):

2002: Finnish support 1,3 million USD

2003 Finnish support 1,2 million USD

2006 Finnish support 60 000 USD

2007 Finnish support 60 000 USD

2008 Finnish support 100 000 USD

Total (2000–2005): 6 976 056 EUR of which Finnish support 6 389 056 EUR, Zambia 179 520 EUR, Private Sector 40 610 EUR

The Provincial Forestry Action Programme (PFAP) was established by an agreement between the GoF and the GoZ (competent authority for Programme Ministry for Tourism, Environment and Natural resources). The Programme was managed through the Forestry Department. It was different in orientation as compared to previous Finnish forestry sector cooperation because it emphasized participation of local people in the planning and implementation of sustainable forest management and utilization.

The first phase of the Programme, PFAP I (1995–1998), had two components: (i) Facilitation of the strategic action planning process and (ii) the Immediate Action Programmes. It aimed at making the Forestry Action Plans to facilitate participatory management of forest resources in Central, Copperbelt and Luapula provinces. The Action Plans were finalized by August 1998. As a result of the consultations, deforestation was revealed as the core problem in all the three provinces.

PFAP II (2000–2005) was built on experiences gained from the planning and implementation of activities in pilot areas during Phase I and in the 18-month bridging phase between PFAP I and II. Its purpose was sustainable collaborative forest management practices being implemented in seven pilot districts. In addition, it had an institutional capacity strengthening component.

The overall objective of the Programme was:

- Improved living conditions of men, women and children through enhanced environmental protection in the project area.

The Programme purpose was:

- Sustainable management and utilization of forests and other natural resources through stakeholder capacity building.

The three components of the Programme were:

- Implementation of the three Provincial Forestry Action Plans prepared in Phase I (later narrowed to concentrate mainly on piloting participatory forest management and on increasing the economic benefits from forest management and utilization).
- Preparation of a forestry action plan in Southern Province.
- Capacity and Institution building.

Mid-Term Review (MTR) of the programme was carried out in May 2002 (Impact Consulting Oy Ltd. 2002). It recommended continuation of the programme. The review noted that the Programme was spreading its resources over too wide a range of activities without adequate focus. Accordingly, MTR supported a revised focus of the Programme to primarily promote collaborative forest management aiming at achieving tangible results. According to the Review, community level organization building, including introduction of basic principles of democracy to the communities by elected village resource management committees, had been a major impact of PFAP I and II.

After the MTR, focus of PFAP's work was the development and piloting of a model of Joint Forest Management (JFM) in forest reserves and of community forest management in 'open areas'. JFM is based on the idea of co-management and appropriate sharing of responsibilities for forest management between national and local governments and local communities. However, according to the 'Phasing Over' Plan for PFAP, implementation of the draft JFM plans had proceeded very slowly up to mid-August 2004, hampered mainly by the lack of legal framework under which responsibilities for management, licensing and sharing benefits with communities can be carried out.

In 2004, PFAP II was assessed from gender and socio-economic perspective (Satu Lassila 2004). One of the conclusions of the assessment was that there should be clearly defined qualitative and quantitative goals for women's participation in the forest committees and communities could be linked more closely with NGOs and private sector in order to strengthen the poverty reduction impact of the project. The project's contribution to poverty alleviation appeared to be limited. Positively, it noted that PFAP has successfully supported the establishment of community-based Village Resource Management Committees (VRMC). These committees are an important part of the JFM structure because they give input to the management plans and oversee the JFM-plan implementation in collaboration with the community. However, it was recommended that project staff should promote more actively women's participation and leadership in the VRMCs.

In 2005, the Zambian Government through the Forestry department of the MTENR identified five priority areas for financial and technical support from the Finnish Government (Forestry Project Profiles 2005):

1. Institutional Reform –Establishment of Forestry Commission.
2. Scaling up Joint Forest Management arrangements commenced under the PFAP.
3. National Forest Resources Assessment.
4. Forest Accounting.
5. Forest Management and Biodiversity Conservation.

The PFAP II was first extended to June 2005 and later, after a 14-month brake, from September 2006 to August 2007. By the latter extension, the most important accomplishments of PFAP II had been building community-based structures for Joint Forest Management, completing JFM plans in seven areas (40 000 ha) and strengthening of Forestry Department capacity to support JFM. However, it wasn't possible for the forest adjacent communities in PFAP pilot areas to implement the JFM plans largely due to absence of legal framework to enable them share revenue from the forests with government as outlined in the respective JFM plans. The extension phase was started in September 2006 to pilot on JFM implementation and review the approach to make it replicable.

The specific objectives for the extension phase were:

- (i) Supporting the implementation of the Joint Forest Management plans in pilot areas in order to gain practical experience of implementing co-management of forest resources.
- (ii) Developing and putting in place a tried and tested replicable models for JFM in order to assist Forestry Department expand the JFM implementation to other areas of the country.
- (iii) Supporting full implementation of JFM plans in order for community members of both genders enjoy user rights and receive economic and social benefits from the forest management activities as defined in their respective JFM plan.

Due to unfinished tasks and remaining budget, the Programme was once again extended twice, until Mid-August 2009.

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6.9 Tanzania

Tanzania has about 40% (38.8 million hectares) of its total land area forested. These forest resources are threatened by human settlements and activities such as illegal harvesting, fires and mining. It is estimated that more than 90% of the population uses wood for domestic energy. Forests also provide various non-wood products and are important for water catchment.

The key policies for the forest sector are the Forest Policy of 1998, the National Environment Policy, Land Policy, the Environment Management Act (EMA) of 2004 and the Wildlife Policy of 1998. Key instruments available for forest management are: Land Act (1999), Village Land Act (1999) and Forest Act No. 14 (2002), which is supported by the National Forest Programme for 2001–2010. The NFP was developed with significant support from Finland and it was based on the National Forest Policy and Beekeeping Policy (NFBKP) approved in 1998, which emphasized Sustainable Forest and Bee Resources Management (SFBM). The NFBKP was also developed to improve the design and implementation of projects and programmes through the gradual introduction of a Sector Wide Approach (SWA). The National Forest Programme is the main instrument for implementing the NFBKP.

The feasibility of a Sector-Wide Approach in the forest sector development in Tanzania was assessed in 2001. According to the assessment, the Tanzania Government policy strongly supported the adoption of SWAp in forestry sector. In addition, it was concluded that most of the donor agencies had a clear or evolving internal policies favoring SWAps and consequently most of the donors had a positive attitude towards possible forest sector SWAp in Tanzania.

In January 2003, the FBD, with funding from DANIDA and co-financing from the World Bank and MFA Finland, initiated a five-year Programme on Participatory Forest Management (PFM) as a step in the process of harmonizing donor contributions with those of government under a Sector Wide Approach. In 2005, the Forestry and Beekeeping Division (FBD) produced an administrative and financial manual for PFM. Participatory Forest Management plays an important role as an executor of the Tanzania Forest Policy and National Forest Programme.

The PFM Programme was assessed in 2008 by a Joint Review of Participatory Forest Management Programme (2008) in cooperation with Denmark and World Bank. One of the key recommendations of this review was to integrate the PFM/ forestry sector in a wider Natural Resources SWAp. Some drawbacks noted by the assessment included the following:

- The Programme’s financial administration and reporting don’t function as expected because persons responsible for these tasks are unqualified and resources are inadequate.
- The decision-making and follow-up processes and subsequent procedures are continuously delayed, and many planned operations are not being implemented at all. This is believed to be due to unclear division of responsibilities and lack of guidance together with unbearable working pressure on key persons.

In 2006, the National Forest and Beekeeping Programme Sector Wide Approach was signed by key development partners. This provided a framework for joint financing mechanisms and facilitated implementation of NFBKP activities through joint provisions and agreed procedures for financial support to NFBKP. Some of the future challenges for the FBD and donors in Tanzania will be the work towards SWAp process together with strengthening the human and operational resources of the national board of forestry.

In addition to supporting the National Forest Programme process, other important development co-operation Programme between Tanzania and Finland has been forestry development co-operation in the East Usambara region, which started already in 1978. The saw milling industries was the main forestry emphasis until mid 1980s with Finland as the leading cooperation partner of the Government of Tanzania (GoT). From the mid 80s onwards, the conservation value of the East Usambara Mountains was realized and biodiversity and water catchment issues were raised high as key objectives in forestry development co-operation.

The previous forestry sector co-operation evaluation of 2003 looked at two projects in the Usambara area: East Usambara Catchment forest project (EUCPF), which ran through two phases, 1991–1994 and 1995–1998, and Eastern Usambara Conservation Area Management Programme (EUCAMP) (1990–2002). Actually, in the third phase of the EUCPF through 1999–2002, it was connected to the EUCAMP. The EUCPF had main emphasis in water and biodiversity conservation. One of the main

conservation achievements of the project was the establishment of the Amani Nature reserve in 1997. The EUCAMP was also a phasing out period of the long lasting forestry development co-operation between Tanzania and Finland in the East Usambara mountains. One of the most important tasks of the EUCAMP was the establishment of Derema conservation area, or Derema Ecological corridor, to connect the Amani Nature Reserve and Nilo Forest Reserve. It was recommended in a Phasing out and Integration of EUCAMP to NFP –discussion paper (2002) that EUCAMP should be fully integrated in the NFP, particularly with its Forest Resources Conservation and Management Programme.

Finnish disbursements of ODA to Tanzania during 2002–2008 are presented in Table 9. According to the forestry sector cooperation evaluation from 2003, Finnish projects in Tanzania have generally had a technical focus geared towards using high levels of expertise rather than being developed from strategic review of national needs and then matching these to areas of comparative advantage of Finnish expertise. Neither social development nor natural resource economics has been strongly reflected either in appraisal or delivery.

In the future, forestry is planned to be one of the main sectors for the Finnish-Tanzanian cooperation together with administration and budget support. The forestry sector cooperation will concentrate on National Forest and Ecosystem Assessment (FAO cooperation, REDD monitoring), participatory forest management, support to policy and regulatory work, research and education, Public-Private Partnerships activities (PPP). During 2009–2012, Tanzania's National Forestry Resources Monitoring and Assessment will be conducted by FAO in cooperation with FBD and financing from Finland.

It would now be interesting to see what have been the positive and negative sides of the cooperation in Tanzania. This is also important because Tanzania is a forerunner in participatory forest management in East Africa and an important actor in Africa in general. The experiences gained in Tanzania can be used as an example in other Finnish bilateral or multilateral cooperation.

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Table 9 Finnish ODA to Tanzania in 2000–2008.

Year	ODA: Total Net (USD millions current)	Forestry Project disbursements (USD millions current/ USD millions constant, 2007)	Forestry Project Name	Channel of Aid Delivery/ MFA Intervention Code
2000	12,4			
2001	12,9			
2002	12,6	0,03/ 0,05	Morogoro Environmental Project	National NGO 28224901
		0,02/ 0,03	Forestry Development	MNRT 28206402
		0,5/ 0,7	Forestry Development	MNRT 28219401
		1,5/ 2,3	Teak Plantation	tza02-99020
2003	13	0,04/ 0,05	Morogoro Environmental Project	28224901
		0,003/ 0,003	Implementation of the National Forest Programme	28227501
		0,3/ 0,4	Forestry Development	MNRT 28206402
2004	14,8			
2005	17			
2006	30,7	0,1/ 0,1	Conserving Forests and improving livelihoods (in Usambara)	NGO support, WWF Finland 28228401
		0,1/ 0,2	Forestry Development	MNRT 28206402
		0,2/ 0,2	Forestry Development	28219401
		3,2/ 3,6	Implementation of the National Forest Programme	28227501

Year	ODA: Total Net (USD millions current)	Forestry Project disbursements (USD millions current/ USD millions constant, 2007)	Forestry Project Name	Channel of Aid Delivery/ MFA Intervention Code
2007	36,7	0,2/ 0,2	Implementation of the National Forest Programme	28227501
		1,3/ 1,3	Teak plantation in Tanzania	ODA loan through Finnfund TZA1999020
		0,05/ 0,05	Village Forestry Promotion Project II	NGO support, Toivala-foundation 28228601
2008	42,8	0,05/ 0,04	Village Forestry Promotion Project II	NGO support, Toivala-foundation 28228601
		0,3/ 0,3	Conserving Forests and improving livelihoods (in Usambara)	NGO support, WWF Finland 28228401
		2,2/ 2	Implementation of the National Forest Programme	28227501

Source: OECD/DAC 2009.

6.9.1 Support to the National Forest Programme: NFP – Coordination Unit Support Project (NFP CUSP) 2003–2006, and NFP – Implementation Support Project (NFP ISP) 2004–2007

MFA Intervention Code: 28206402 (NFP CUSP), 28227501 (NFP ISP)

Budget (OECD/DAC 2009):

NFP CUSP

2002: Finnish support 20 000 USD

2003: Finnish support 300 000 USD

2006 Finnish support 100 000 USD

NFP CUSP total: 1 044 910 EUR

NFP ISP

2003: Finnish support 0,003 million USD

2006: Finnish support 3,2 million USD

2007: Finnish support 200 000 USD

2008: Finnish support 2,2 million USD

NFP ISP total: 4 725 000 EUR of which Finish Support 4 500 000 EUR, Tanzania 225 000 EUR

Preparation for moving from program support to SWA in Tanzania has been made through two programmes: National Forest Programme Coordination Unit Support Programme (NFP-CUSP 2003–2006) and National Forest Programme – Implementation Support Project (2004–2007) during which planning and budgeting of sector channeled aid was transferred to the budget and planning system of the Tanzania's government.

As discussed in the previous section on Tanzania, the Forestry and Beekeeping Division (FBD) of the Ministry of Natural Resources and Tourism (MNRT) has been supported by Finland in the formulation of the National Forest Programme during 2000–2001. The NFP was needed as an instrument for implementing the National Forest Policy of 1998 and related legislation, and to provide a framework for planning work in the sector.

The NFP Programme for 2001–2010 was developed under the following overall goal:

- Enhancing the contribution of the forest sector to the sustainable development of Tanzania and the conservation and management of her natural resources for the benefit of present and future generations.

In November 2001 the Forestry and Beekeeping Department completed the NFP document. It was expected that NFP significantly enhances not only Sustainable Forest Management but also improve the design and implementation of projects and programmes, which so far had been somewhat fragmented and poorly coordinated. To achieve this, the Programme established four main implementation programmes that cover both forest resources management as well as institutional and human resources development aspects:

- **Forest Resources Conservation and Management (incl. 5 sub-programmes)**
 - *Objective:* Sustainable supply of forest products and services ensured to meet the needs at the local and national levels.
- **Institutions and Human Resources Development (incl. 7 sub-programmes)**
 - *Objective:* Enhanced national capacity to manage and develop the forest sector in a collaborative manner.

- **Legal and Regulatory Framework (incl. 3 sub-programmes)**
 - *Objective:* Enable legal and regulatory framework for the sector in place.
- **Forestry Based Industries and Sustainable Livelihoods (incl. 4 sub-programmes)**
 - *Objective:* Increased economic contribution, employment and foreign exchange earnings through sustainable forest-based industry development and trade of forest products.

The ultimate goal of the NFP process was defined as to reduce poverty and increase economic growth by managing forests sustainably without compromising cultural and environmental values. The purpose of the development programs was also to strive for change and improvement in the sectoral management and committing the FBD and MNRT to increase the sectoral self-financing.

The previous forestry sector co-operation evaluation looked at Support to the National Forestry Programme and the Coordination Unit during 2000–2001. It observed that the progress of NFP had been locally owned with relatively low levels of donor input. Another observation was that although the scope of NFP was comprehensive, the analysis lacked depth and many important elements were not adequately handled. In particular, poverty issues were weakly addressed.

The NFP coordination Unit (NFP-CU) was established as part of the implementation of the NFP to supervise the process and coordinate the forthcoming implementation of the Programme. Actual implementation started in April 2003. The NFP Coordination Support Project (NFP CUSP) was first designed for a period of 17 months, however, to accomplish backlog activities from original Workplan, to assist in implementation of the SWA roll-out Plan and to enable the NFP-CU to develop into a true coordinating and amalgamating entity as well as developing the necessary capacity in the most critical areas it was extended to June 2006.

The NFP CUSP project worked in close co-operation with the NFP ISP Preparatory phase project, which was set up to facilitate the implementation of NFBKP activities and commenced its work in August 2004. Because of delays in the finalization of the first phase, it was recognized among MFA that this type of support to the preparation of NFPs is a new form of cooperation to Finland and previous experience of the duration of such process didn't exist. From the positive perspective, the case of Tanzania served as a good pilot experiment.

After the preparation phase, the Finnish-Tanzanian forestry cooperation was planned beyond 2002, and for the NFP CUSP 2003–2006, the following overall objective was defined:

- NFP implementation effectively coordinated and monitored.

The project purpose was:

- CU establishing a framework for coordination of the NFP implementation

The expected results were:

1. NFP operational plan for 2002/3–2005/6 in place
2. Relevant lessons learned on district level forestry development planning available
3. The process towards sector wide approach in the forestry sector of Tanzania
4. Nationwide awareness on the NFP created
5. Monitoring system for NFP progress in place
6. Necessary capacities of the CU and key FBD management improved

According to the preparatory phase proposal (2003) of the NFP-ISP, the project was to be implemented through existing government structures: FBD as a facilitator, coordinator and monitor and district (councils) and local communities as the main implementers. The NFP-ISP Project Document (2002) defined the Programme's development objective as:

- Improved and sustainable management of Tanzania's diverse forests and woodland resources contributing to the maintenance and development of sustainable livelihoods especially among poor rural communities.

The outputs to be achieved during 2003–2006 were:

1. Phasing out and Integration of EUCAMP to NFP and Eastern Arc
2. Management of Forest Reserves and Forests in General land
3. Natural Resource Assessment
4. Beekeeping Management
5. Capacity building and coordination

According to the Completion report (April 2003–June 2006) for NFP CUSP, the project has been facilitating the integration of NFBKP with the broad national strategy –the National Strategy for Growth and Reduction of Poverty (NSGRP). It has also created an enabling environment towards promoting environmental sustainability. The report also notes that the overall project objective has been relevant as the project has been instrumental in strengthening intra and inter-sectoral coordination including development partners. In terms of sustainability, it concludes that the sustainability in relation to the institutional capacity of the FBD and CU is increased and is further increasing.

The realization of the National Forest Programme is assessed yearly as a joint review of all the donors. Some of the observations in the Review of 2006 included the following: the NFBKP was well in line with MKUKUTA, which provides a strong justification for implementation of NFBKP. However, political awareness was lacking and forestry was mostly seen from conservation point of view. It was also noted that as PFM funding through Danida and MFA was made by ear-marked funding to forestry and related operations, districts are not always pleased because this limits their own decision-making power. In addition, Development programmes of the NFBKP weren't taking into account prioritization of the sub-development programmes and different activities, and procurement remained one of the most significant blockages constraining implementation of NFBKP Programmes.

According to the Completion Report of the NFP CUSP (2006) some of the most important lessons and experiences gained during the implementation included, among others: SWAp processes require a well-structures and well-functioning stakeholder participation in addition to government ownership and sustainability, and common procedures for planning, budgeting and financial management are crucial in order to have an efficient internal administration and management capacity.

Financing to NFP ended in 2008 and it was proposed that Finland would continue supporting the implementation of National Forest Programme in Tanzania (NFBKP II) during 2007–2010. The bilateral agreement on NFBKP II was finally signed on 18th of May 2009. The agreement is for two years with 3 million euros per year. By the end of the phase II, a new forest policy for 2011–2020 is ready and implemented in the framework of Finnish sector aid. Finland is now the only donor supporting implementation of NFBKP in Tanzania.

In the phase II, the number of project districts will be increased by 11 to total of 27 and forest planting component will be integrated into the Programme strongly. Other important components will be, among others, adaptation to climate change, improved resources for forestry education and combating illegal logging.

The Phase II has adapted the programme design elements of NFBKP:

The Programme goal is:

- Conservation and sustainable utilization of forest and bee resources to meet local, national and global needs promoted.

The Development Programmes with their specific objectives remained the same as in the First Phase.

According to the Programme Document for the Implementation of NFBKP Phase II (2008), the main achievements under the Development Programme by then included, for example,

Development Programme 1: Forest Resources and Management:

- Expansion of Community Based Forest Management and Joint Forest Management arrangements across mainland Tanzania in terms of forest areas and number of participating villages the PFM sub-development Programme.
- Increased information on forest biodiversity in the Eastern Arc Mountains under the Biodiversity Conservation and Management sub-development Programme.

Development Programme 2: Institutions and Human Resources:

- Increased level of sectoral self-financing and the share between Government of Tanzania – donor financing has not yet been achieved despite of increase in forest sector revenue collection.
- Training Institutions of FTI and FITI were supported and staff trained in short and long courses.

Development Programme 3: Legal and Regulatory framework:

- Development and operationalization of Forest Regulations 2004 and Sustainable Harvesting and marketing Guidelines (2007) was implemented.
- A process to review the 1998 Forest Policy has been initiated.
- Guideline for preparation of management plans, management agreements and bylaws for natural forest reserves was developed.

Development Programme 4: Forestry-based Industries and Sustainable Livelihoods:

- Establishment of and operationalization of Forest Private Sector Steering Committees both at Zonal and National levels.

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