

DG XI

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1. EVOLUTION OF INVOLVEMENT IN TROPICAL FORESTRY

1.1 The evolution of DG XI and present structure

In 1972, the European Council recognised the need to take measures to protect and improve the environment at the grassroots level, and therefore set up a small 'environment and consumer protection service' within DG III, the DG responsible for industrial policy and the internal (EU) market. In 1981 this 'service' was raised to the status of Directorate-General XI. In response to the growing body of EU environmental legislation, as well as the need to develop new instruments and 'administrative structures for environmental management', DG XI was restructured in 1989 and renamed 'Legal Affairs and Implementation, Relations with other Institutions and the future EEA¹, Finance and Contracts'.

In 1995, DG XI was again renamed as 'Environment, Nuclear Security and Civil Protection', and restructured into five Directorates as shown in Figure 1. Unit D4, 'Global aspects of the environment: climate change, geosphere and biosphere' – normally referred to as 'Global Environment' – is responsible for forestry activities.

1.2 The evolving role of DG XI in forestry activities

Initially the actions of the DG III 'environment service' were restricted to attempts to influence international organisations such as FAO (through the TFAP) and ITTO, and support of forestry activities through these organisations. With the 1989 restructuring, the 'Global Environment' budget line B4-3046 was created in response to the growing desire to undertake global environmental actions. The budget line was later renamed 'Contribution to International Environmental Activities' and renumbered B7-8110, and is jointly managed by Units D4 and A4, 'International Affairs, Trade and Environment'. B7-8110 is used mainly for supporting international fora, workshops and small-scale field projects in the four main areas of global environmental action: forestry (all types of forest, but predominantly tropical forest); biodiversity; climate change; and the ozone layer.

However, management of the budget line is subsidiary to the main roles of DG XI, and especially Unit D4, which have been to develop EC policy and strategy in these four areas, prepare the Commission's political position at international fora, and to represent it at these fora. Unit D4 coordinated the production of 'Towards Sustainability – A European Community Programme of Policy and Action in relation to the Environment and Sustainable Development' (European Commission, 1992), a statement of EC strategy on global environment issues.

Unit D4 was also responsible for writing the Commission's official long-term environmental plan: 'Programme of Policy and Action in Relation to Environment and Sustainable Development'. It has taken an active part in the initiatives stemming from

UNCED: the Inter-Governmental Panel on Forests (IPF), the Commission for Sustainable Development (CSD), and the international Conventions through the various Conferences of the Parties. It is particularly concerned with the process leading to a possible Forest Convention. Mention should be made of the close collaboration with the other DGs, especially DG IB, for example, in their mutual interest in the Brazil Pilot Programme, and through participation of the Unit D4 General Administrator in the Inter-Service Steering Committee on Forests.

2. STRUCTURE OF AID DELIVERY

Budget line B7-8110 is divided among Units A4, A5 'Technical Co-operation with Third Countries', D2 'Nature Protection, Coastal Zones and Tourism' and D4 (see Figure 1). Each Unit puts forward an annual proposal of intended actions and a budget. The Resources Group of DG XI, consisting of the Director General, the Deputy Director General, the Assistant of the Director General, the Directors of the five Directorates and the Head of Unit A2 (Finance), decides on the distribution of the funds at the end of the year (but can change it in mid-year), although in practice the proportion going to each Unit is fairly constant.

According to its official objectives (EC *Official Journal* 1996, p.1581), Unit D4 uses its share of the budget line to support small-scale projects in the field, as well as workshops, seminars, conferences and publications, with the objectives of:

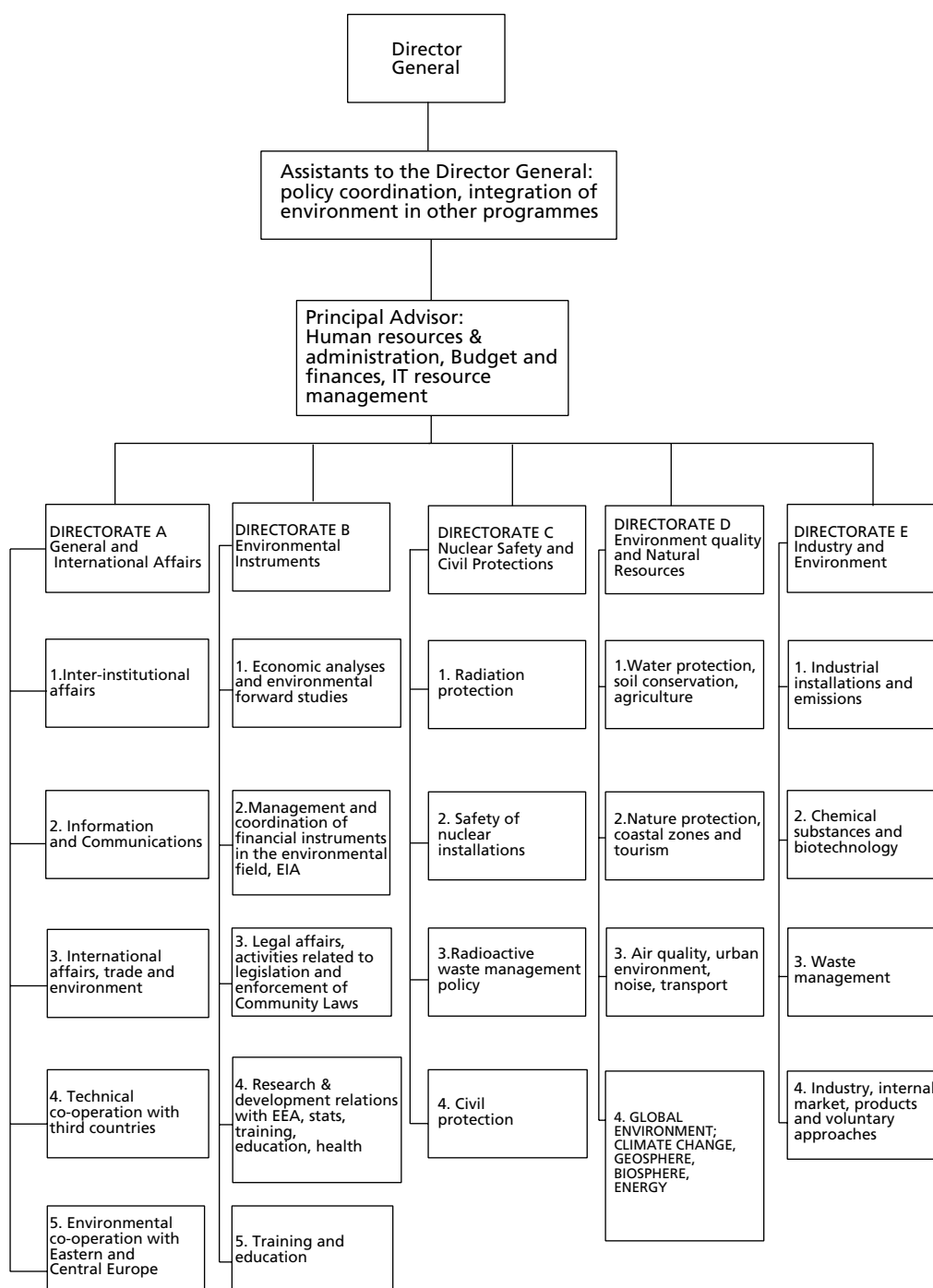
- safeguarding the ozone layer;
- influencing the relationship between energy and the environment, especially in terms of global warming;
- protecting forests;
- protecting biodiversity; and
- influencing other global environmental issues, including desertification and the 'population environment relationship'²

There is no fixed budget for tropical forests under budget line B7-8110, since the budget has to support all of these action areas, and is subject to internal DG XI negotiations. Table 1 shows the total budget, the proportion going to D4, and the proportion spent on forestry projects. A large proportion of the budget goes on 'statutory contributions', i.e. to meet on-going commitments like annual support to the Biodiversity Convention Secretariat (ECU 30,000), and support for the Berne and Vienna Conventions on international trade and the environment, as well as actions within DG XI itself, for example to develop DG XI's 'Strategy on Forests' over the 1997-8 period. Unit D4 has most flexibility in terms of using its share of the budget for forestry projects. In fact most of the flexible share of the budget has been spent on forestry and biodiversity projects. This has been because this part of the budget line has been mainly demand-led³, and there have been

2. This objective is due to be removed from the EC *Official Journal* in 1998. The only action was a project on Antarctica in 1992. Responsibility for these actions has been passed to the Environment budget line B7-6200.

3. Although once, in 1993, a call for proposals was put out.

1. European Environment Agency

Figure 1: Organogram of DG XI: Environment, Nuclear Safety and Civil Protection (abbreviated version)

few project requests dealing with climate change or the ozone layer.

At the appraisal stage, aid delivery has been in the hands of the D4 'General Administrator' in charge of the budget line, who since 1991 has been either a forester or a geographer. Project implementation has tended to be mainly in the hands of North-based institutions, especially universities, international NGOs and research organisations, as these have been the main budget line applicants (see section 4.4).

In-house technical responsibility for forestry currently rests with the D4 General Administrator, an experienced tropical forester from Peru. The ratio of the budget to in-house forestry expertise is a little less than

ECU 1 m. per advisor per year.

(Main source: personal communication, D4 administrative assistant)

3. TROPICAL FORESTRY DEVELOPMENT STRATEGY

3.1 Past strategy

Because of its limited budget, B4-3046 became (more or less by accident) the budget line for small projects which would have 'fallen through the net' of DG I and DG VIII with their preference for larger projects.

Table 1. DG XI forestry commitments: distribution of B7–8110 budget to D4 and forestry projects 1991–6 (ECU)

	1991	1992	1993	1994	1995	1996
B7–8110		3,690,000	4200,000	4,200,000	4,200,000	4,400,000
D4 share			2,380,000	2,350,000	2,597,750	1,944,000
Forestry	1,027,772	724,325	1,196,302	1,056,997	1,083,197	560,430*

* Projects approved to November 1996.

Initially (until 1990) it was used to fund meetings, workshops, studies, publications and field projects which dealt with climate change and the ozone layer. Forestry projects only came in from 1991 as a result of the EC-wide pressures discussed in Chapter 2. Funding of forestry was also significantly increased following the 1992 UNCED Conference.

Until 1996, Unit D4 of DG XI did not have a strategy document which specified the objectives of its budget line, and decisions concerning project selection and regional distribution were at the discretion of individual budget line managers. The emphasis up to 1995 reflected a concern for issues related to trade and the environment, especially as regards the ‘strategic’ actions – conferences, studies, workshops, etc. Also there was an observable regional influence in project distribution when the budget line was managed by a French forester (an increase in Francophone projects in 1991 and 1992), and by a Portuguese geographer (Brazil had most projects and expenditure in 1993 and 1994). In 1995, the latter left for a long-term technical assistance assignment to the Brazil EU delegation to work on the Brazilian Pilot Programme. This was financed from the B7–8110 budget line. The current General Administrator took over in September 1995.

The main emphasis of past forestry interventions under B7–8110 has been in the areas of:

- sustainable natural resource management both inside and outside protected areas, focusing in particular on new approaches like extractive reserves and community reserves;
- support to local communities and indigenous peoples; and
- policy development (D4 General Administrator, personal communication).

More than half of all the activities financed have involved conferences, workshops and publications (see section 4.2). The system has been predominantly reactive in the sense that the direction of the budget line has largely depended on the nature of the applications for funding received. However, it is clear that there is (or has been) sufficient flexibility for DG XI to define its own projects. There have also been several attempts to encourage DG XI financing of the Global Environment Facility (GEF). The absence of an EC representative on the GEF Board in 1995 and 1996 resulted in a reluctance to approve the funding involved; from DG XI as a whole, this was ECU 3 m. in 1995 and ECU 7 m. in 1996.

3.2 Current and future strategy

In 1996 Unit D4 produced a strategy paper entitled ‘Philosophy of Budget Line B7–8110’ (Ruiz Murrieta, 1996), to be applied from the end of 1996 onwards. This outlines the following priority areas for forestry:

- projects, studies or meetings producing outputs aimed at supplying the knowledge required for developing the EC’s long-term strategy, especially on global forestry issues, to ‘assure EU leadership in the negotiations under international agreements and other relevant international fora’;
- projects promoting the implementation of articles relevant to forests contained in the International Conventions, as well as implementation of the eleven elements of the work programme of the IPF;
- projects promoting certification, criteria and indicators, regional strategies, national forest plans, networks and/or any other major instruments for the conservation and sustainable development of forests, taking into consideration the economic, environmental, social and cultural dimensions of forestry as well as the participation of all the main stakeholders;
- projects promoting indigenous peoples’ rights to their territories and natural resources, traditional management practices, and indigenous participation in project design and national land-use planning.

In practice, this will mean that a more strategic and ‘global’ approach will be adopted than hitherto, with an enhanced interest in:

- activities that will help the EC develop its position in international fora;
- policy development at the national, regional and international levels;
- support to forestry activities related to the international Conventions; and
- support to indigenous peoples.

In addition to the above, the following indications were given on the future direction of DG XI’s actions by the D4 General Administrator:

- DG XI projects will in future overlap less with activities supported by DG IB and DG VIII, particularly by supporting themes which are of lower priority for other DGs or which complement priorities on other budget lines, for example, initial strengthening of indigenous peoples’ organisations, NGOs, etc., which can be supported on a larger

scale through the Tropical Forests budget line (B7–6201);

- the funds will be distributed more equally among the three main geographic regions (in 1996 no further projects were approved for Brazil);
- DG XI will extend its support of networks of NGOs and community-based organisations (CBOs), especially in indigenous and marginalised communities. It supports the African Forest Action Network (AFAN), currently comprised of NGOs from Francophone Africa but to be extended to the whole of Africa. It has also supported the Grupo de Trabalho Amazonico (GTA), a network of approximately 400 NGOs and CBOs. Supporting local organisational capacity of the ‘civil society’, especially in Central Africa, will form an important part of D4’s future strategy;
- Unit D4 is particularly interested in supporting regional initiatives like the Association of Amazonian Universities (UNAMAS) and the Central American Alliance for Sustainable Development, and in efforts to develop South-South coordination – for example, building links between regional initiatives in the areas of forest policy development and ‘social forestry’ curriculum development;
- Unit D4 will fund a smaller number of projects (about 10 per year instead of 20–30) with an increase in the size of project, mainly because of lack of staff;
- D4 will become more pro-active in project selection by encouraging particular organisations to request funding;
- D4 plans to develop a Strategy on Forests by the end of 1998.

Most of the pressure for change in DG XI’s strategy has come from within the EC – especially the discussions in the Inter-Service Group on Forests (personal communication, D4 General Administrator).

3.3 Strategy and policy development in the area of the timber certification

DG XI has an important role in shaping the EC’s position on timber certification and to this end has a technical officer working in Unit D4, an economist (with a trade policy background) who is a seconded national expert in post since 1995. This DG XI officer works closely with the DG I ‘Trade and Environment Unit’⁴ responsible for negotiating the EC trade position at the World Trade Organization (WTO), and specifically with WTO’s Trade and Environment Committee, and in other multilateral negotiations (e.g. EC-Mercosur, EC-ASEAN), as well as with a DG VIII official who represents the EC at ITTO meetings. The Unit D4 General Administrator represents the Commission at meetings of the Intergovernmental Panels on Climate Change and Forests and has prepared position papers for these.

One of the main tasks of the DG XI General Administrator has been to try to identify an EC/EU position on certification. This has involved a continuous

process of consultation (rather than negotiation) between the different stakeholder interests represented in the EC, which range from European industrial concerns (represented in DG III), European forestry management (DG VI), the internal EU market (DG XV) and consumer policy (DG XXIV), to the research (DG XII), sustainable development (DG VIII and DG IB) and global environmental (DG XI) concerns. Representatives from all these DGs are invited to meetings of the Inter-Service Group on Certification, which meets two or three times a year. The DG XI officer is the overall coordinator of the Group and tries to maintain a balance between all the interests, rather than pushing a particular viewpoint. There have also been several meetings of the ‘National Experts’ Group on Timber Certification’ involving representatives from the Member States.

Building on these sets of meetings, the DG XI officer was responsible for a 1996 Commission Staff Discussion Paper ‘*EU Policy Options on Forest and Timber Certification*’. This internal Commission paper presents useful background analysis and discusses the pros and cons of four options open to the EU: reliance on market forces (but facilitating their action); actively contributing to the development and definition of certification standards; establishing a voluntary EU-level certification scheme; and other instruments, including the use of preferential tariffs, promotion of forest management plans, national forest plans, forest registration and a global forest convention.

In terms of the direction of the debate on ways to use the timber trade to encourage sustainable forest management, there has been a clear shift in the EU from a ‘stick’ to a ‘carrot’ approach. In the early 1990s various Member States, or green lobbies within them put forward trade-related proposals involving import bans and consumer boycotts with the objective of discouraging unsustainable logging in the tropics; for example a proposal by the Netherlands and Austria to ban the import of ‘non-sustainably’ produced tropical timber, and proposed Dutch legislation for compulsory certification of timber by 2000.

The realisation that such measures are illegal,⁵ counterproductive or impractical has left two main possible instruments: voluntary certification – there have been several recent Member State (Germany, Netherlands, Denmark) initiatives to develop certification schemes; and the use of preferential tariff levels, as in the proposed EC Generalised System of Trade Preferences. EU legislation permits discretionary tariff reductions when suppliers follow the ITTO Guidelines on sustainable forest management. While this is programmed to become operational in 1998, there is some debate as to whether it represents a trade barrier and so contravenes international trade legislation. The proposed levels of tariff reduction are not yet known but will be partly dependent on the degree of processing.

Within the EU, the position has been generally against the certification of European forests. This has been due partly to the fear of possible high costs of certification if these are not passed on to the consumer,

4. DG 1 Unit: Multilateral commercial policies and questions relevant to WTO and OECD.

5. Owing to the principle of non-discrimination in WTO trade rules, i.e. a product cannot be refused access because of its being assigned a particular characteristic (European Commission, 1996, p.7).

Table 2. Distribution of DG XI forestry projects by region 1991–6

REGION	1991	1992	1993	1994	1995	1996 ^a	Total
Global	10	9	7	8	3	5	42
Regional ^b	2	3	8	5		1	19
South America	2	5	8	4	8	1	28
Central America			1	1	3		5
Africa	4	3	3	2	2		14
Asia	2			2	2		6
Total	20	20	27	22	18	7	114

^a up to November 1996^b involving two or more countries in a region.

especially for small production forests (down to 1 ha in Portugal, for example). This is a concern shared by some tropical producer countries which also see ‘eco-labelling’ as a new trade barrier. Another major European fear is that timber products will become less competitive than non-timber products if significant costs are passed on to the consumer.

The D4 certification technical officer also uses funds from budget line B7–8110 to promote understanding of the process and feasibility of certification, for example through some small ‘tracing’ projects. As well as several important certification initiatives coming under DG VIII (see Box 3 in the chapter on DG VIII), there are two DG IB projects financed under the Tropical Forests budget line: the CIFOR study ‘Testing Criteria and Indicators for the Sustainable Management of Forests’ co-financed by Germany, USAID and Ford Foundation; and a Forest Stewardship Council project involving training and the promotion of national consultation processes in several countries in Latin America and Asia. There is also a market study of *Arabopsis* spp. under DG VI, which is attempting to gauge how much consumers are prepared to pay for certified timber and to shed light on the impacts of certification.

4. PROJECTS FUNDED BY REGION, TYPE AND SIZE

4.1 Definition of forestry

A broad interpretation of the term ‘forestry’ was used for DG XI. Many of the projects involved wider activities which in some way aim to develop, either directly or indirectly – for example through projects focusing on indigenous peoples’ issues – the knowledge basis or institutional capacity for forestry (and biodiversity in general) conservation and management.

4.2 Geographical distribution

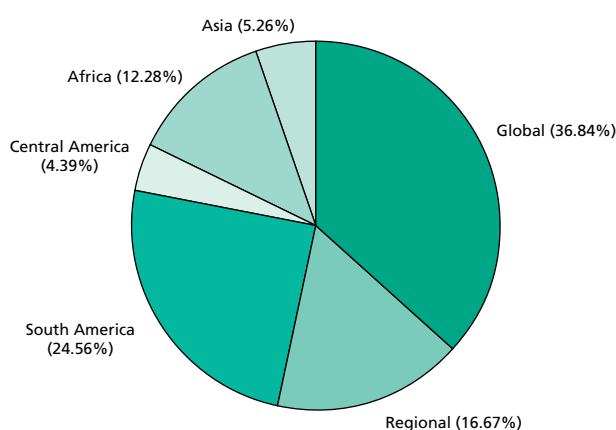
Table 2 presents a breakdown of the 114 forestry projects approved for funding since 1991, classified according to the regional classification used in Unit D4. Figure 2 indicates that over half the projects have been either global or regional. These have often been workshops, conferences and research studies directed

at global forestry issues, but particularly in the Amazon region. Including country-specific projects, 33 projects have been directed at the Amazon region. Of the 53 non-global/regional projects, South and Central America received over 60%.

Over the 1991–96 period, ECU 5.6 m. was committed to these 114 projects. Figure 3 presents the regional distribution of these financial commitments. This emphasises further the large share of South America especially in comparison with Asia and Africa. Figures 4 and 5 present the distribution of projects and financial commitments from B7–8110 among the main receiving countries over the 1991–6 and 1991–5 periods respectively, leaving aside the regional and global projects. These data show Brazil to be the main beneficiary of this budget line, especially in terms of financial commitments – almost ECU 1.6 m. over the 1991–6 period. Other significant beneficiaries (ranging between ECU 88,000 and ECU 220,000) were Côte d’Ivoire, Gabon, Colombia, Cameroon, Peru, Mexico and French Guyana. This partly reflects the influence of budget line managers and the greater organisational capacity in Latin America to make requests.

4.3 Project type

In Table 3, the 114 tropical forestry projects are divided between field projects (54) and non-field or ‘strategic’

Figure 2: Distribution of DG XI forestry projects by region 1990–6

projects (60): the latter included 28 studies and information diffusion projects (publications, films, videos, etc); 27 workshops, seminars and conferences; and 5 projects supporting the development and implementation of international Conventions. Recently there have been fewer studies and information diffusion projects, and more projects in support of international conventions. Up until 1996 there was a trend towards more field projects, but in 1996 only one of the seven projects was a field project. Table 3 indicates that

sustainable forest management and biodiversity conservation-related projects have maintained a consistent importance, bearing in mind the drop in the number of overall projects over the last two years, and a downward trend from the early 1990s in projects on indigenous people, timber and energy issues.

Table 3 and Figure 6 show that the most common types of projects were associated with sustainable forest management, including non-timber forest products (SFM/NTFPs), and biodiversity conservation/environmental protection, including extractive reserves. These two categories accounted for 60% of all projects and 63% of field projects. Next in importance were education, training and consciousness-raising projects, indigenous peoples, and social and participatory aspects of forestry, including local institution building (mainly field projects). There were also 9 timber related projects (industry and trade aspects), none of which were field projects.

Figure 3: Distribution of DG XI financial commitments to forestry by region 1991–6

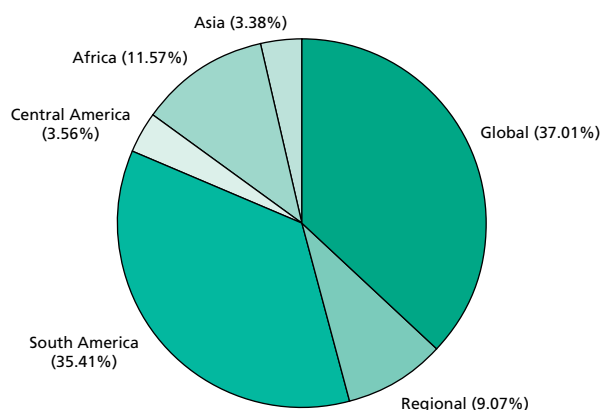


Figure 4: Distribution of DG XI forestry projects between countries 1991–6

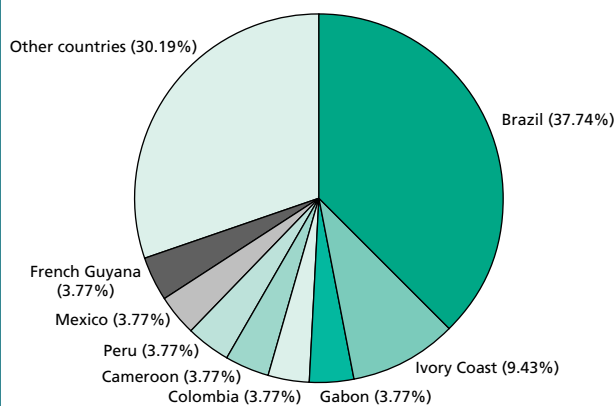
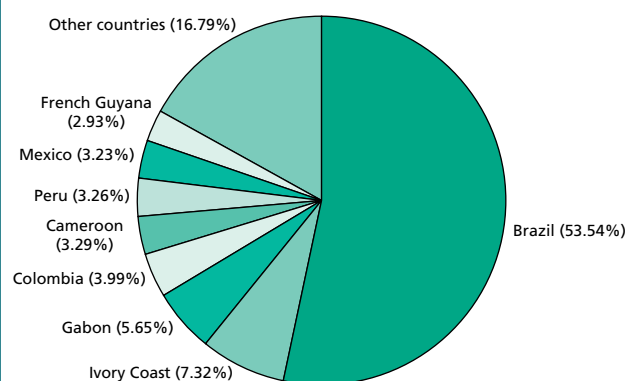


Figure 5: Distribution of DG XI forestry financial commitments by country 1991–5



4.4 Distribution of projects by type of organisation

Table 4 and Figure 7 present the distribution of projects by the type of organisation requesting and implementing the projects. They show that academic and research institutions, and national and international NGOs (the latter tailing off markedly over the last two years) have been the main beneficiaries of the budget line, absorbing between them 86% of the projects. There is a view in DG XI that, at least until 1995, there were too many 'strategic' projects being carried out by Northern academic and research institutions, with only a limited impact on forest conservation and local livelihoods. Almost three quarters of the organisations have been based in the North, and among them France (26 projects), UK (15 projects), the Netherlands (13 projects), and Belgium (9 projects) have been most prominent. While in 1996 no projects were funded for organisations based in these four countries, 5 of the 7 projects were in favour of North-based organisations. Of the 30 developing country organisations supported, 13 have been Brazilian and 8 have been in Francophone Africa.

Table 4 disguises an important trend towards a greater proportion of the commitments to developing countries. Up to 1992, over half of the finance committed was to be expended in 'the North'; in 1993 and 1994 there was an approximately equal budgetary distribution between the North and developing countries, but since 1995 budgetary control has been very strict – about 80% of the budget must now be spent in the developing country.

4.5 Size and duration of projects

Project size under B7–8110 has been small in comparison with the other DGs. Financing is limited to 50% of total project costs for field projects and 30% for 'strategic' projects up to about ECU 60,000 and ECU 25,000 respectively – although, legally, there is no maximum project size. The fall in the number of projects over time (Table 2) has led to a slight increase in the size of project: from 1991 to 1994, the average project size was ECU 45,000, while over the 1995–6 period it has been almost ECU 66,000. In 1996 the

Table 3. Distribution of DG XI forestry projects by themes 1991–6

Themes	1991	1992	1993	1994	1995	1996	Total field projects	Total other projects
SFM/NTFPs ¹	5	2	9		7	3	17	25
Biodiv./env. protection	7	10	9	6	4	2	17	9
Education/training	1		2	4	3		1	9
Indigenous peoples	1	2	3	2		1	5	4
Social forestry/participation	2	1	1	2	2	1	7	2
Timber/trade	4	2	1	2				9
Agroforestry		2	1	2	2		5	2
Energy		1	1				2	
Total	20	20	27	22	18	7	54	60

¹ Sustainable forest management including non-timber forestry products.

average project size was ECU 80,000. Since the strategy is to finance fewer projects, this trend is set to continue. By their nature, many of the projects have been very short. Workshops, seminars, etc., may last only a few weeks, while even the field projects generally have a duration of no more than one year.

5. PROJECT CYCLE MANAGEMENT

5.1 Application

Since DG XI's budget line is less well-known than those of the other DGs, those submitting a proposal to DG XI have usually had personal contact with one of the present/former administrators in charge of the tropical forests budget lines, at international meetings, during project missions, etc. They are often re-directed to DG XI from DG IB and DG VIII. While, in theory, proposals should come through the EU Delegations, in practice they are sent directly to DG XI. They can be

made at any time.

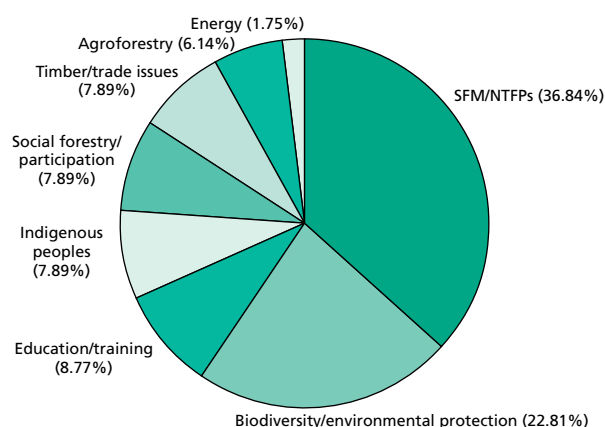
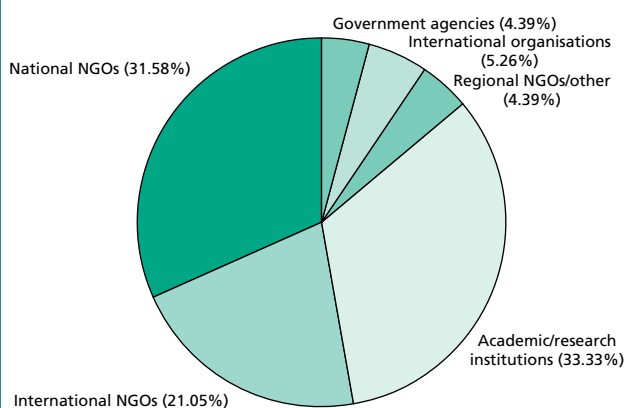
Since 1995, the system in DG XI has become more organised; proposals are now made using standard application forms. Proposals must now include: a letter of request; a technical description of the project; a budget; confirmation of additional/provisional income by co-financiers of the project (if not, the co-financing is regarded as pending); information about the applying organisation; bank references; a copy of the document specifying the organisation's legal status; financial statements for the previous two years; and details of previous contracts with the EC. While a logical framework is not mandatory, some NGO applicants have submitted their proposal with one.

5.2 Appraisal and approval procedures

The project must correspond with the budgetary criteria set out in the latest version of the EC *Official Journal*, and be in accordance with the recently developed 'Philosophy of budget line B7-8110' (Ruiz-Murrieta,

Table 4. Distribution of DG XI projects by implementing organisations 1991–6

	1991	1992	1993	1994	1995	1996	Total
Government agencies			1	1	2	1	5
International organisations			1	1	1	3	6
Regional NGOs/other organisations		1	3	1			5
Academic and research institutions	8	9	9	8	2	2	38
International NGOs	12	3	4	4	1		24
National NGOs		7	9	7	12	1	36

Figure 6: Distribution of DG XI forestry projects by theme 1991–6**Figure 7: Distribution of DG XI forestry projects by implementing organisations 1991–6**

1996). The project must either be located in a developing country or, as in the case of a workshop in Europe, involve participants from developing countries.

Proposals are subject to a technical evaluation; in the case of tropical forestry projects, this is carried out by the General Administrator in Unit D4. Other advisers in Unit D4 are called in according to the nature of the proposal, such as those involved with international negotiations, timber certification, and biodiversity. If the proposal is basically acceptable, Unit D4 asks the applicant to modify it. In general, projects need considerable modification to be acceptable (personal communication, D4 General Administrator).

Project proposals received under B7–8110 are technically approved within DG XI. The chain of approval is as follows:

- D4 General Administrator
- Director of DG XI D
- Deputy Director-General of DG XI
- A2 Financial Unit (to prepare a provisional contract)
- Deputy Director-General of DG XI
- DG XX Financial Control
- DG XIX Budget
- Receiving organisation (to sign contract)
- A2 Financial Unit

The whole procedure usually takes about a year to

complete, but can be speeded up when a high quality proposal is received (personal communication, D4 General Administrator).

5.3 Monitoring and evaluation

Up to the present, D4 technical staff have had little time for monitoring and evaluating the projects. Interim and final project reports have also been of poor technical quality. Until 1996, no project had been subject to an evaluation. However, this situation is expected to change from 1997, both with the more strategic approach being developed and with the decision to fund fewer projects (Ruiz Murrieta, 1996).

5.4 Constraints to more effective project management

Apart from the lack of monitoring and evaluation, the main problem perceived in D4 is the high percentage (over 50%) of non-EC contract staff. This situation results in a high turnover rate among seconded national experts and contracted staff, and therefore a considerable proportion of staff at any one time being at some point on the learning curve or using up the time of more permanent staff in the closer staff supervision required.

6. PROJECT PROFILES

6.1 Research and development of natural resources of indigenous communities in the Ucayali Region (RENACO), Peru

This project approved in 1994 was a research study implemented by Paris University and aimed at promoting sustainable natural resource management in the Peruvian Amazon. The main activities were to undertake an inventory of natural resources, and research indigenous peoples' (Shibibo and Cunibo) knowledge of NTFP uses, mainly for nutrition and medicinal purposes, and traditional forest management systems.

The project resulted in a description of the nutritional and medicinal uses of more than 100 plants, and generation of knowledge on the cultural and spiritual aspects of traditional forest management. The EC contribution (ECU 49,820) comprised 48% of the total cost and was mainly spent on travel expenses and daily allowances for the Paris University staff involved. It was considered a successful project by the D4 General Administrator.

6.2 TREES

The TREES project (Tropical Ecosystem Environment Observation by Satellite) was established in 1991 as a joint activity between the EU Joint Research Centre (JRC) in Ispra,⁶ and the European Space Agency (ESA), with the objective of collecting and analysing satellite data sets over tropically forested areas, and developing new approaches to the monitoring of forest cover. The TREES I project (1991–4), managed by DG XII, resulted in the first global tropical rain forest classification map

6. The EU Joint Research Centre in Ispra has been part of DG XII, but became independent in 1995.

with a 1 km resolution covering Africa, Latin America and South-East Asia. It was co-financed by the European Parliament Fund (EPF) and DG XII (MTV⁷ Unit Programme).

The second phase (TREES II, 1995–9), which is mainly managed by Unit D4 of DG XI, aims to develop a prototype ‘operational Tropical Forest Information System’ which will continuously monitor changes in forest cover. It will pay particular attention to deforestation ‘hot spots’ which can then become the focus for intensive and detailed observation, leading to more accurate data on the ‘causes’ of deforestation. There is a strong emphasis in the project on diffusion of the information to an ‘identified community of users’.

The budget allocated to TREES II is approximately ECU 9 m., most of this coming from budget line B6–7920⁸ (*Activitiés de soutien scientifique et technique aux politiques communautaires sur une base concurrentielle*) in DG XI and approved under the ‘Competitive Support to the Commission’ budget line of the IVth Framework Programme. DG XII contributed ECU 235,00 in both 1995 and 1996.

7. CONCLUSIONS

The main roles of DG XI are representation of the EC at international environmental fora such as the CSD, the IPF, and the international Conventions, and the development of EC global environment policy. Management of the budget line ‘Contribution to International Environmental Activities’ (B7–8110) is therefore not its main activity. Unit D4 – known as ‘Global Environment’ – is responsible for the share of the budget line going to forestry and biodiversity projects. A considerable share of the budget line goes on supporting the international fora already mentioned. Another important role of DG XI is representing the Commission’s position on timber certification at the appropriate international fora,⁹ and coordination of EC and wider EU consultation on certification issues, although developing a consensus position on this is problematic because of the diversity of stakeholder interests among the DGs.

Using a broad interpretation of ‘forestry’, over the 1991–6 period some ECU 5.6 m. were committed to 114 small forestry projects (an average of just under ECU 50,000 per project). Forestry and biodiversity compete with other global environmental ‘sectors’ such as the ozone layer, climate change and global warming, but in practice there has been little demand for the latter. At the appraisal stage, aid delivery has been in the hands of the Unit D4 General Administrator, who since 1991 has been either a forester or geographer. Project implementation has tended to be mainly in the hands of North-based institutions, especially universities, international NGOs and research organisations, as

these have been the principal budget line applicants, but support in the future will be orientated more to South-based CBOs, NGOs and their networks.

Over half the projects financed have been ‘strategic’ or non-field projects involving meetings, workshops, research studies, networks, publications, etc., although the recent trend has been towards more field projects. The emphasis for both field and non-field projects has been on sustainable forest management, including non-timber forest products, and biodiversity or forest protection. Wherever possible, support has been given to innovative approaches like extractive and community reserves, to local communities and indigenous peoples, and to policy development, especially where such activities help the EC develop its position in international fora.

More than half the projects have been global or regional rather than country-specific, and over half of these have been directed at the Amazon region. In addition, Brazil has been the main beneficiary of the country-specific commitments, followed by Franco-phone African and other Amazonian countries. It is clear that the General Administrators managing the budget line have had considerable influence in this regional distribution. Future priorities for the budget line include, as well as a more even regional distribution (no projects were approved for Brazil in 1996), fewer and larger projects which will complement rather than imitate projects from the other DGs. There will also be more support for promoting the local organisational capacity of ‘civil society’, especially in Africa, for indigenous peoples, for certification and for activities which will feed into the knowledge base for a long-term EC forestry strategy and help DG XI develop its position at international fora. DG XI is due to develop a ‘Strategy on Forests’ by the end of 1998.

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7. Monitoring of Tropical Vegetation (MTV) is part of the Space Applications Unit at the EU Joint Research Centre.
8. The B6–7920 budget funds activities only after a call for tender has been made, and is shared with other DGs. TREES II was the only tropical forestry related project in DG XI to be funded from it.
9. Except ITTO, for which DG VIII provides the representative.

ACRONYMS

AFAN	African Forest Action Network
CBO	Community-based Organisation
CIFOR	Centre for International Forestry Research
CSD	Commission for Sustainable Development
DG	Directorate-General
EC	European Community
EEA	European Environment Agency
EPF	European Parliament Fund
ESA	European Space Agency
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
GEF	Global Environment Facility
GTA	Grupo de Trabalho Amazonico
IPF	Inter-Governmental Panel on Forests
JRC	Joint Research Centre
ITTO	International Tropical Timber Organization
MTV	Monitoring of Tropical Vegetation
NGO	Non-Governmental Organisation
NTFP	Non-timber forest product
OECD	Organization for Economic Cooperation and Development
SFM	Sustainable forest management
TFAP	Tropical Forestry Action Plan
TREES	Tropical Ecosystem Environment Observation by Satellite
UNAMAS	Association of Amazonian Universities
UNCED	United Nations Conference on Environment and Development
USAID	United States Agency for International Development
WTO	World Timber Organisation

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