

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(93) 53 final

Brussels, 26 February 1993

Proposal for a  
COUNCIL REGULATION (EEC)

on operations to promote tropical forests

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(presented by the Commission)

EXPLANATORY MEMORANDUM

The seriousness of the threat to tropical forests and the need for coordinated international action within a perspective linking environment and development have been emphasised by all Community institutions and confirmed during the recent Rio de Janeiro Conference.

In this context, an action at Community level, complementing Member States' actions, will facilitate a better realisation of the objectives pursued and the mobilisation of the necessary resources.

This Regulation lays down objectives and modalities of this action that will promote the conservation and sustainable management of tropical forests.

PROPOSAL FOR REGULATION N° ..... OF THE COUNCIL

of .....

related to actions in the field of tropical forests

THE COUNCIL OF THE EUROPEAN COMMUNITIES

Having regard to the Treaty establishing the European Community, and in particular Articles 130 S and 235;

Having regard to the proposal from the Commission;

Having regard to the opinion of the European Parliament;

Having regard to the opinion of the Economic and Social Committee;

Whereas the Commission communication to the Council of 16 October 1989 on "The conservation of tropical forests: The role of the Community"<sup>(1)</sup>, set out broad guidelines for Community action in this sphere;

Whereas the resolution of the Council of Ministers for Development Cooperation of 29 May 1990 on "Tropical forests: development aspects" established a basis for the use of development instruments in tropical forest conservation;

Whereas the European Parliament expressed concern over the destruction of tropical forests and the consequences for forest dwellers in many parliamentary resolutions;

Whereas the European Council of June 1990 in Dublin called for a programme of action to be drawn up to counteract the threat to tropical forests;

Whereas the Community and its Member States were signatories to the Rio Declaration on Forests in June 1992;

Whereas the Community intends to expand its actions to promote the conservation of tropical forests in all appropriate ways, within the context of its development policy and using the relevant instruments of development assistance;

Whereas a Community action, complementing Member States' actions, will facilitate a better realisation of the objectives pursued;

Whereas existing financial instruments available to the Community for development cooperation are not adapted for the support of certain types of appropriate action in the field of tropical forests;

Whereas a substantial commitment of resources is required to have a significant impact on tropical forests;

(1) OJ C264 16.10.89 p. 1.

Whereas it is therefore necessary to set up a permanent framework to execute these actions;

Whereas detailed rules for implementation, and in particular the form of action, the recipients of the aid, and decision procedures should be laid down; and whereas in order to cover all aspects of sustainable development which form part of the aim of this regulation, it is necessary to refer to article 235 as no other specific powers for development policy are provided in the Treaty,

HAS ADOPTED THIS REGULATION

#### Article 1

The Community shall support actions to promote the conservation and the sustainable management of tropical forests in accordance with the criteria and procedures provided for in this Regulation.

#### Article 2

1. "Tropical forests" shall be defined, for the purposes of this Regulation, as those forests, savannahs and trees, and their respective ecosystems, that are found within the tropics and subtropics in both dry and humid climates, including their human populations, whether or not indigenous, other populations of forest regions who utilize the forest, or whose actions affect the forest.
2. "Conservation" shall be considered, for the purposes of this regulation, to include all actions to preserve, rehabilitate and rationally manage tropical forests.
3. "Sustainable forest management" is understood as the planned utilisation of forests in a manner compatible with the conservation of forest ecosystems for future generations.
4. "Sustainable development" shall be considered as the improvement of the living standards and welfare of the relevant populations, while maintaining natural assets, including forests, for the benefit of future generations.

Article 3

1. Under this Regulation, the Community shall provide financial support or technical expertise for actions which support and encourage the efforts of developing countries and their regional organizations to conserve their tropical forests, in the context of the sustainable development of those countries and regions.
2. The financing shall be directed to both public and private organizations, including NGOs and representative associations of indigenous peoples and of other forest dwellers, which include the conservation of tropical forests among their stated objectives or regular activities.
3. Special consideration shall be given to actions in support of the conservation of forests which are considered to be of importance for global effects, such as climate change and loss of biodiversity.

Article 4

1. The priority given to specific actions will be determined according to the needs of each country as reflected in national development and environment policies relating to forests. Particular consideration, however, shall be given to actions that promote the following:
  - (a) conservation of forests supported by analysis of the underlying causes of deforestation and measures to address them;
  - (b) sustainable management of forests designated for the production of timber and other products;
  - (c) involvement of local populations, including forest dwellers, in the planning and implementation of actions that are to be financed and of national and local forest utilization plans;
  - (d) capacity-building to address the needs for training, legislation and institutional strengthening in support of forest conservation;
  - (e) strategic, adaptive and policy research to provide the necessary knowledge base for activities included in (a), (b) and (c) and to support capacity building activities indicated in (d).
2. Wherever appropriate, actions shall be coordinated with and provide support for international programmes concerned with tropical forests, such as the Tropical Forest Action Plan, and the International Tropical Timber Organisation.
3. Wherever appropriate, operations shall be carried out within the framework of regional organizations and international programmes of cooperation.

Article 5

Funding shall be granted by the Community either autonomously or by means of co-financing with Member States, or with multilateral, regional or other organizations. In the last case, as far as possible, the character of Community aid shall be maintained.

Article 6

Community funding shall be in the form of non-reimbursable grants.

Article 7

Financial and technical assistance may cover all foreign currency costs and local costs for carrying out projects and programmes, including, whenever necessary, integrated programmes and sectoral projects.

Systematic efforts shall be made to seek contributions, particularly in financial form, from partners (countries, local communities, undertakings, individual recipients) as far as their means permit and according to the nature of each operation.

The payment of taxes, duties and charges shall be excluded from Community financing.

Study costs and the short- and long-term use of experts to assist the recipients and the Commission in devising general policies, identifying and preparing operations and monitoring and evaluating them shall normally be covered by Community funds; either as part of the financing for individual operations or separately.

Article 8

Submission of proposals, participation in calls for tender, invitations to tender, and purchasing and other contracts shall be open on equal terms to all natural and legal persons from Member States and the recipient country or countries. Such participation may be extended to other developing countries receiving Community aid, particularly in cases of co-financing or in order to prevent the cost of the projects from increasing unduly as a result of distance, transport difficulties, or delivery delays.

#### Article 9

Projects and programmes for which Community funding exceeds ECU 2 million and any substantial modifications and possible overruns of approved projects and programmes which exceed 20 % of the amount initially agreed, shall be adopted according to the procedure laid down in Article 10(2).

#### Article 10

1. The Commission shall administer tropical forest cooperation activities.
2. The Commission shall be assisted by an advisory committee composed of representatives of the Member States and chaired by the representative of the Commission.

The representative of the Commission shall submit to the committee a draft of the measures to be taken. The committee shall deliver its opinion on the draft, within a time limit which the chairman may lay down according to the urgency of the matter, if necessary by taking a vote.

The opinion shall be recorded in the minutes; in addition, each Member State shall have the right to ask to have its position recorded in the minutes.

The Commission shall take the utmost account of the opinion delivered by the committee. It shall inform the committee of the manner in which its opinion has been taken into account.

3. Where the Commission finds it necessary or appropriate to establish further procedures for the execution of relevant actions, those measures should be adopted according to procedure laid down under par. 2.

#### Article 11

The Commission shall submit a report annually to the Council and to the European Parliament, specifying the actions that have been financed and summarizing their progress and conclusions, to enable them to take stock of the development of activities.

#### Article 12

This regulation shall be implemented under a coherent approach which also includes actions under Council Regulation No 443/92 on financial and technical assistance and economic cooperation with, to the developing countries of Latin America and Asia, and the fourth Lomé Convention

**Article 13**

This regulation shall enter into force on the day following its publication in the Official Journal of the European Communities.

This regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels .....

10/11/1992  
doc. KB/mk/142



Financial Statement

1. Title of operation

Operations to promote tropical forests.

2. Budget heading involved

B7-5041

3. Legal basis

The present proposal for a regulation

4. Description of operation

4.1 Aim

To conserve tropical forest resources through: (a) protection of forest resources by analysing the causes of deforestation and introducing policies and measures to slow it down; (b) sustainable management of forests designated for the production of wood and other products; (c) involvement of local and native people in the preparation and implementation of the measures to be financed; (d) creation of the structures required for training, research, legislation and upgrading institutions concerned with the protection of forest resources.

4.2 Duration

Indefinite.

4.3 Target population:

Directly: the populations of developing countries with large areas of tropical forest, particularly people living in or around them.

Indirectly: world-wide impact (biodiversity, carbon reserves).

5. Classification of expenditure or revenue

5.1. Non-compulsory expenditure.

5.2. Differentiated appropriations.

5.3. NA.

6. Type of expenditure/revenue

- 6.1 100% grant: Applicable
- 6.2 Grant for joint financing with other sources in the public and/or private sector: Applicable
- 6.3 Interest subsidy: None
- 6.4 Other: None
- 6.5 Should the operation prove an economic success, is there provision for all or part of the Community contribution to be reimbursed? No
- 6.6 Will the proposed operation cause any change in the level of revenue? No

7. Financial impact

7.1 Method of calculating total cost of operation

The cost of each of the projects will be determined on a case-by-case basis following identification and appraisal. The ceiling set for the first budget year is to serve as a guide, and may be changed subsequently in the light of the requirements identified and the management capabilities, within the limits of credits that will be set by the budget authority.

7.2. Breakdown of the operation components (in MECUS)

BREAKDOWN	92 Budget	Budget 93	% change
Studies	7.30 (14%)	8.00 (16%)	+ 9.6
Field projects	41.60 (80%)	38.00 (76%)	- 8.7
Publications, films	2.10 (4%)	2.50 (5%)	+ 19.0
Seminars	1.00 (2%)	1.50 (3%)	+ 50.0
	52.00	50.00	- 3.8

8. What anti-fraud measures are planned in the proposal for the operation?

Beneficiaries must accept the general conditions applicable to contracts and in particular an audit by the Commission and the Court of Auditors.

## 9. Cost-effectiveness analysis

### 9.1. Objectives

To conserve tropical forest resources in developing countries, in particular by carrying out innovatory projects, by developing new ideas and implementing them on a large scale, by promoting sustainable development in the developing countries and by protecting the global environment.

### 9.2 Grounds

#### 9.2.1. Costs

The call for a new kind of contribution from the Community shows that the existing financing instruments are not sufficient to cover all aspects of forest conservation. Costs must be assessed for each project, on a case-by-case basis.

#### 9.2.2. Knock-on effects

Tropical forest conservation will contribute to the sustainable development of the countries concerned and to the protection of the environment both locally and globally.

### 9.3. Monitoring and evaluation

#### 9.3.1. Performance indicators

Indicators for each type of project will be specified in the terms of reference. Examples include the number of hectares to be protected, studies or reports to be written, and technical assistance tasks.

#### 9.3.2. Evaluation procedures and schedule

Throughout the programme, the Commission will monitor work-in-progress in close cooperation with the delegations, by means of:

- regular reports from the field;
- one-off evaluations at the half-way stage for certain projects, as appropriate;
- post-completion evaluation of representative projects.

# DOCUMENTS

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