

FAO / GOVERNMENT COOPERATIVE PROGRAMME

Project of the Governments of Albania, Bulgaria, Czech Republic, Hungary, Romania,
Slovakia, Slovenia

PROJECT DOCUMENT

Project Title and Symbol: **Strengthening of Private and Community
Forestry in Selected Countries of Central and
Eastern Europe (CEE)**

Donor:

Government Implementing Agencies: **State or Private Forestry Services in the
Participating Countries**

Duration: **Four Years**

Estimated Starting Date: **January 2002**

Brief description:

The participating countries want to establish a well organised, managed and profitable private / community forestry sector which contributes to the economic development while protecting / developing forest resources and ecosystems for the long term benefit of the population.

The Project will establish the essential requirements to support the development of profitable and sustainable private / community forestry. The Project intends to provide institution-building by: i) enabling forestry services to meet the needs of the private / community forestry sector; ii) enabling and encouraging private forest owners and community users to establish forest owner associations; iii) integrating essential requirements in the institutional framework to meet the needs of private forest owners and community users.

This will be achieved by using the concept of public participation in forest management with emphasis on cooperation among forest services and forestry associations of Central and Eastern European countries as well as with West European countries and with particular attention to gender aspects.

PART I: PROJECT AGREEMENT

1. Within the framework of its agreement with the Government of (the Donor Government) and upon request from the Governments of Albania, Bulgaria, Czech Republic, Hungary, Romania, Slovakia, Slovenia (the Government), the Food and Agriculture Organization of the United Nations (FAO) will supply assistance for the execution of the following project once it is accepted by the Donor Government.

Project Title: Strengthening of Private and Community Forestry in Selected Countries of Central and Eastern Europe

Estimated Costs (Detailed Plan of Expenditure given in the Project Description)

Donor Government Contribution: US\$ 4,936,250

Counterpart Contribution (in kind):

A detailed description of project design, including background, purpose and workplan, is provided in Part II of the present document (attached).

FAO OBLIGATIONS:

2. FAO shall be responsible for the recruitment, international travel, salaries and emoluments of the international staff (except volunteers) shown in Part II (I.B). Appointments of international staff shall be submitted to the Government for clearance. All staff will work under the direction of the Project manager who, on behalf of FAO, is responsible for the technical execution of the project.

3. FAO will provide the equipment and supplies shown in Part II (I.) (detailed in Annex II). The equipment will remain the property of FAO for the duration of the project. Its ultimate destination shall be decided by FAO in consultation with the Government.

4. FAO will arrange for yearly supervisory travel visit to the project, to be financed from project costs as shown in Part I.

5. All FAO's obligations arising under this Project Agreement shall be subject to (i) the decisions of its governing bodies and to its constitutional, financial and budgetary provisions, and (ii) the receipt of the necessary contribution from the Donor Government. Any obligations assumed by FAO may, at any time, be taken over by the Donor Government.

6. FAO may, in consultation with the Government, execute part or all of the project by sub-contract. The selection of the sub-contractors shall be made, after consultation with the Government, in accordance with FAO's procedures.

GOVERNMENT OBLIGATIONS

7. The Government shall take all necessary measures to facilitate the execution of the project and to assist the FAO staff in obtaining such services and facilities as they may require to fulfil their tasks. The Government shall apply to FAO, its property, funds and assets, its officials and to the persons performing services on its behalf, in connection with the project, the provisions of the Convention on Privileges and Immunities of the Specialized Agencies; the currency exchange rate established with the United Nations.

8. The Government shall deal with any claims brought by third parties against FAO, its personnel or other persons performing services on its behalf in connection with the project, except when it is agreed by FAO and the Government that such claims arise from gross negligence or wilful misconduct of such persons.

9. The Government shall be responsible for the recruitment, salaries and social security measures of the national staff. The Government shall also provide the facilities and supplies shown in Part II (E), as and when required for the project.

10. The Government shall grant to the staff of FAO and of the Donor Government and to persons acting on their behalf, access to the Project site and to any material or documentation relating to the Project and shall provide any relevant information to such staff or persons.

11. The Government is responsible for the cost of import and customs clearance of project equipment, its transportation, handling, storage, and related expenses within the country; its safe custody, maintenance, insurance and replacement, if necessary, after delivery to the project site.

REPORTING

12. FAO will report on the project to the Donor and recipient Governments as detailed in Part II (H).

13. The Government shall agree to the dissemination of information like descriptions of the project and of its objectives and results, for the purpose of educating public opinion.

AMENDMENTS AND TERMINATION

14. This Project Agreement may be amended or terminated by mutual consent. Termination shall also take effect sixty days after receipt by either party of written notice from the other party. In the event of termination, the obligations already assumed by the Government shall remain in force to the extent necessary to permit orderly withdrawal of the funds and assets of FAO and of personnel performing services on its behalf.

15. This Project Agreement shall enter into force upon signature by both parties.

For the Government of

Date:

For the Food and Agriculture organization of
the United Nations

Date:

PART II: PROJECT DESIGN

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A. GENERAL BACKGROUND

A.1 Preface

In the present project proposal, we will refer to¹:

Private Forests as forest land owned by a single owner or by a group of co-owners. Group-owned private forest is sometimes referred in literature also as Common or Communal Property Forest. The project will essentially focus on small forest owners.

Community Forests as forests owned by the State or a commune and is managed by a community of interest, i.e. group of people sharing the same interests and objectives in managing the resource and which have the ability to influence and to control decision making. In the project region it is in general a state forest for which a community has been granted access and management rights under certain conditions

Commune Forests as forests belonging to administrative units, locally self governed by a mayor and municipal council. These forests are managed by a local forest administration with no or little involvement of the public. Commune forests should not be confused with group owned private forests.

The present project proposal will focus mainly of the first two type of ownership, Private and Community Forests. Therefore we will refer to **private forest owners** (single small forest owner or group of small forest owners) and to **community users**.

A.2 Description of Sub-Sector

The 7 countries Albania, Bulgaria, Czech Republic, Hungary, Romania, Slovakia and Slovenia participating in this Project comprise around 18.9 million ha forest which represents an average forest coverage of the land area of around 31% .The differences within this group of countries are, however considerable, ranging from about 20% in Hungary to 55% in Slovenia. With the exception of Albania, the forest area is increasing in all these countries.

As part of the economic restructuring process of the central planning system into a market economy, forest ownership and management is undergoing a dramatic change in the transition countries of Central and Eastern Europe, although with different speed in the various countries. The former overall state forest management system is now being partly privatised, at least as it is required in the course of compensation / restitution of forest owners of before the socialist period. This has resulted in most of the countries in a rapid and high increase of the number of private forest owners, many with small and sometimes dispersed forest areas and little background about forest management.

According to available statistics, private and community forests count for about 6.9 mill. ha or 36.4% of the forest areas in the participating countries. It is mainly single owned private forest, but in some countries, such as Slovakia, the percentage of co-owned forest is relevant. In most of the countries, the average holding size would not exceed 5 ha. In Albania, community forestry is prevailing, whilst private ownership can be neglected.

¹ Communities and Forest Management in Western Europe. WG-CIFM: IUCN, DFID, Ford Foundation, WWF, 2001.

In summary, the economic restructuring brought in the participating countries a fragmented ownership structure with the difficulty to implement the centrally planned forest management plans.

A.3 Host Countries' Strategy

Forestry requires long-term, consistent policy objectives, which are not changed continuously due to fashion and short-term political influences. Most of the participating countries have an understanding of their long-term policy objectives, all of them recognising widely the multiple beneficial role of forests and the need for their sustainable use, including all wood and non-wood forest products and services such as nature protection and recreation. The countries are signatories of the Helsinki Resolution on sustainable forest management.

Most of the participating countries have also, or are in the process of, developing a forest strategy by which they want to achieve this set of forest policy objectives. They have adopted new forest legislation in the early 1990s. In most cases, the perceived need for new forest laws has been related to reforms in the area of land tenure, mainly the recognition of private property rights. Correspondingly, the participating countries want to establish a forest management system which takes into consideration private ownership resulting from the restitution and privatisation process.

A.4 Prior or On-going Assistance

This project proposal is based on the conceptual framework provided by FAO/ECE/ILO, "Public Participation in Forestry in Europe and North America", 2000, and other practical experiences in developing countries with participatory forestry methods.

Positive practical experience with this concept was gained during implementation of the FAO TCP assistance to Slovenia, "Capacity Building for Support to Private Forest Owners and Public Participation" which was started in February 2000 and ended mid 2001. This TPC in combination with other activities such as in Albania was encouraging a number of other Central and Eastern European (CEE) countries to articulate interest in a similar or extended support for improving private / community forest management in a participatory manner in their countries.

Namely Albania, Bulgaria, Czech Republic, Hungary, Romania, Slovakia and Slovenia responded and participated in a project planning workshop which took place from 17 to 20 September 2001 in Bled, Slovenia. The target of this Workshop was to gather information, analyse the problems, develop a strategy for overcoming these problems and to plan a regional project for the participating countries in view of supporting their efforts to strengthen private / community forestry in selected Central and Eastern European countries.

A.5 Institutional Framework for Sub-Sector

The forestry sector in all participating countries is strongly dominated by the state forestry services (SFS). These SFS were previously directly responsible for all forest management aspects from the protecting and planning to the implementation and marketing

stage of work. Nevertheless the new ownership structure objectively needs a new forestry service system oriented considerably more towards private owners. The major tool for this is undoubtedly a forestry extension system which is operating on the basis of participatory methods. This is widely recognised by the SFS in most of the countries. The forestry extension systems with the primary objective to provide private forest owners (PFO) with knowledge about, and assistance for, sustainable yield forest management, are, however, still under-developed in all of the participating countries, although there exist differences. This means that the SFS hardly reach the PFO with their messages and are not in a position to understand fully their problems and their forest management objectives.

The formation of associations of forest owners is hampered by bad memories connected with forced collectivisation in the past. Most of the existing associations aim mainly at common forest management or marketing their forest products. However, they are still very weak and have little impact on the profitability of the forest management activities of their members.

B. PROJECT RATIONALE / JUSTIFICATION

B.1 Problem to be Addressed; The Present Situation

The increasing private and community forests are presently managed unsustainably concerning profitability and preservation of the resource productivity.

The obvious lack of knowledge of the private forest owners and community users concerning sustainable forest management has its roots in a loss of traditions of forest management during the socialist period and a lack of information and communication between the state forestry services (SFS) and the PFO. The interest to learn more about forest management is also limited because often the PFO are not really aware of their responsibilities and their role. This in turn is often a function of unclear ownership pattern of forest land and unknown or legally unclear defined rights and duties for PFO. Too complicated, restrictive and over-regulating laws and regulations are another reason for de-motivation concerning private / community forest management.

The PFO often are not conscious about the capital value of forests which contributes to the trend that they are losing interest in their forest ownership. This is enforced by the fact that many PFO do not have the financial means to pay for the required machinery, equipment and transport for making use of their forest capital. The very small forest holdings of 1 to 2 ha or even below make the management operations also rather costly and reduces profitability. The low profitability is increased by the difficulties of the small holders with marketing of their forest products. With their small quantities they have a very weak bargaining position towards traders and the wood industry.

The system of compensating for legal restrictions in forest utilisation for environmental reasons is still under-developed or non-existent which contributes to the difficult financial situation of forest owners.

The participating countries have an advanced technical capacity in forest management but are struggling to adapt to changing situations and demands. The level of forest management in the former centrally planned economies was modern in the biological and environmental fields but was conservative, economically inefficient and inflexible. The SFS are not used to involve PFO in forest management decisions and expect the PFO to carry out what they have planned and decided. The forest management plans for the private / communities forests are made by the SFS without really consulting or involving the PFO. There are no adequate working methods available within the SFS such as participatory approaches to cope with the new situation. The SFS staff has no training in communication skills. There are only little skills and mechanisms available within the SFS to solve the inevitable conflicts between the SFS and PFO and even among PFO. One of the roots for such conflicts is the lack of confidence of PFO to the SFS. Parallel to this, often the forest administration has been down-sized, while the number of PFO is still increasing. Due to the very large number of PFO, in most of the Central and East European countries it is virtually impossible that the SFS staff is able to contact each PFO individually. New extension methods are needed to increase the work efficiency of foresters.

As a result of the problem mentioned above, in most countries the PFO are relatively unmotivated and the private forests tend to be either unmanaged or over-utilised. This is often in combination with uncontrolled and / or illegal logging activities. In addition unmanaged forests become less productive.

Consequently the forest resources are not optimally utilised and this has a negative effect on the net balance on wood import and export. Therefore the forestry sector does not contribute as significantly as it could to the GDP and opportunities for job creation are lost.

Finally unsustainable managed forests influence negatively forest eco-systems (reduced bio-diversity, water regulating capacity) with all consequences on soil fertility, natural water resources and wildlife.

B.2 Expected end of Project Situation and Sustainability of Project Results

The basic focus of the Project is the establishment of a supportive institutional framework for private forest owners and community users in the participating countries. One part of the institutional framework is an adequate institutional infrastructure which in turn consists mainly of adapted state forestry services and a network of associations of forest owners. After Project duration both kinds of institutions will be able to continue the development of private / community forestry in a self-sustaining process and to cope with change. The institutional framework consists further of a forestry policy which, after Project implementation, will be supportive for private forest owners and community users through established mechanisms for a participatory policy formulation process with all important stakeholders. The third part of the institutional framework is the legislation which will be adapted in view of achieving the forestry policy objectives including the needs of the private forest owners and community users.

Under the condition that the Project has succeeded, as described, in establishing essential requirements for a supportive institutional framework in the participating countries, it is expected that a self-sustaining development of the private / community forestry sector takes place. The work of the SFS and the associations of forest owners will have gained sufficient momentum to further develop without any external support. They will receive sufficient budgets from the governments or generate sufficient own income to effectively carry out their development work and no further project support is expected to be needed any more. After end of Project the forest owner associations will continue to benefit from the cooperation links which were established during Project implementation.

The Project responds to actually existing and clearly expressed needs of the governments, the SFS and the forest owners in the participating countries. Therefore not only the Project objective is very likely to be achieved but the social sustainability is addressed. The Project relies on the involvement and direct participation of forest owners and community users in SFM mainly through their associations, providing the support and building the capacities for their spontaneous mobilisation, and commitment in the long term. Local knowledge, aspirations and concerns are therefore integrated in the whole project implementation as they have been in the process of project formulation. In addition since the SFS exist and only need to be reorganised to a certain extent and trained in specific aspects (with Project support) no additional budgets are required for the SFS from the governments or associations after Project lifetime. Practice with participatory methods has

shown that the risk of not achieving this situation is relatively low, provided the project strategy, as explained below, is consequently implemented.

B.3 Target Beneficiaries

Direct recipients of the Project are the state forestry services or the forestry extension services provided by associations as well as all persons and institutions which influence forestry policy and legislation in the participating countries. Within these services special attention has to be taken on the recruitment and training of women as a specific direct recipient target group.

Direct recipients can also be forest owners who want to, or have already, established a forest owner association (for enabling and encouraging activities). Direct Project activities with this target groups, however, will happen only in specific cases. For most of the activities with this target group, the Project will train the staff of the SFS or other forestry services which in turn is contacting the forest owners and associations.

The ultimate (mainly indirect) beneficiaries of the Project are the private forest owners and community users. The Project objective is to create a supportive environment for this target group and to give them the possibility to manage their forests profitably and sustainably.

B.4 Project Strategy

Most of the CEE countries have similar problems, although not the same, in the adaptation of their forestry service structure to the new ownership pattern. Therefore, a regional approach has been chosen as the most cost effective answer for solving the problems in the participating countries. This has in addition the positive effect that the cooperation among the forestry services of the various countries can be enhanced and cooperation links with West European countries can be established more easily.

To support the development of profitable and sustainable private / community forestry the Project will encompass three main aspects.

First, the interest and motivation of the private forest owners and community users to manage their forests in a sustainable manner has to increase. To achieve this aim, forest owners must have more knowledge in technical matters and about opportunities to improve their forestry work and its profitability. This can be achieved by enabling the state or association based forestry services (SFS) to meet the needs of the private / community forestry sector concerning training, advisory and management support services.

Second, the private forest owners and community users have to increase their profit (on the basis of sustainable and efficient forest management techniques) and other benefits from forest management according to their own management objectives. This can be achieved by promoting forest owner associations. The promotion of such associations should be again the task of the SFS which will be prepared for this task by the Project.

Third, the institutional framework has to be influenced to become supportive of private forest owners and community users through participatory formulation of forestry policy and legislation as well as participatory preparation of forest management plans.

If by these measures the private forest owners and community users are interested and motivated to manage their forests profitably and sustainably, uncontrolled / illegal logging will be marginalised, the forest resources will be increased or at least maintained, the wood production will increase with the effect of more exports and less imports of wood and wood products.

By using participatory forest management, constructive cooperation among stakeholders is expected as well as widely accepted and respected results for practical forest management. This will contribute to the social sustainability of the project. Moreover participatory forest management methods will produce in most cases the most cost-efficient solution for problems because the costs for "policing" can be saved. Since the interests of the main stakeholders are included, participatory processes most of the time lead also to the best economic and social compromise, particularly because it leads to a clear common understanding of who has to do what. And most of the time the specific capacities of the participants are utilised close to an optimum.

The project deals mainly with private forests, but for example in Albania, the percentage of community forests is significant. The project strategy will not be affected very much as a result of the different types of ownership, since the project aims to enable the SFS, through the use of participatory approaches, tools and methods, to identify analyse and respond to diverse needs and target audiences.

The difference in forest ownership might correspond to different needs, motivations and expectations of the forest owners and forest users (e.g production oriented vs. service oriented) and different interlocutors (individual forest owners, forest owner associations, elected representatives of the communities etc). This diversity has to be clearly identified and acknowledged in the design of national work-plans and during the implementation. At this stage it can be recognised that the SFS might be facing different realities between and inside the same country. For this reason the project will not propose any universal solution, but will support the SFS to design and reorganise their services on the basis of the needs and requirements of their target audience that might vary, besides the others, according to the ownership. This will include the identification of the appropriate interlocutors, the methodology and the choice of tools.

B.5 Institutional Framework and Counterpart Support Capacity

The Project will support national projects in the participating countries. Implementing agencies for the national projects are the state forestry services of the countries. In general the SFS have proven in the last decades that they are well able to manage the forests with their available staff, their working pattern and their organisational structure. However, due to changed forest ownership structures the work of the SFS has to be changed in direction of establishing an education and extension system which is able to reach the nowadays numerous small holders, to jointly develop with the private owners management plans, management abilities and to encourage them to create associations. Such an advisory system needs that at least certain staff members of the SFS are trained in appropriate methods and use these methods in adapted work routine. In most cases, however, it will be necessary to establish an own department for extension / advisory services.

Other implementing agencies and therefore counterpart organisations for the Project will be to a certain extent associations of forest owners which number will increase during Project implementation.

The Regional Project "Strengthening of Private and Community Forestry in CEE" (RP) will be managed by a Project Coordinator. (See Annex 4)

In each of the participating countries a National Project will be established. These National Projects (NP) will prepare a plan for restructuring the SFS and will appoint a Project Director and staff of the SFS for specific project tasks.

The National Project Directors will meet regularly in the Coordination Committee (CC) to discuss and decide with the Project Coordinator what activities the Regional Project will be carry out for supporting the National Projects, by whom these activities will be carried out and by what means. These meeting should be half-yearly. On the basis of the national plans of operations an annual plan of operations for the Regional Project will be prepared by the CC. This plan and the activities of the RP and the NP should be reviewed during each CC meeting. On a rotational basis, during one CC meeting the plan of operations for the RP will be established and on the next meeting the still valid plan would be reviewed and, if required, adapted.

The corresponding RP activities are coordinated and partly carried out by the Project Coordinator. He / she will steer also the activities of the international consultants, the national consultants and he / she plays a major role in establishing contacts between the NP and the various forest owner associations. In addition, he has to task to advise the NP in their restructuring process.

The NP Directors are fully responsible for the activities of their National Project. International Consultants will be used in case no adequate national consultants can be found. They would be always accompanied by potential national consultants who should step by step take over training and other consultancy work in their country and finally in other participating countries and become international consultants.

The staff of the SFS have the function of the interface to the forest owners. On the basis of an adequately structured forestry extension service they will gradually better understand the situation of forest owners, train them on a participatory basis and advise them.

FAO will have the backstopping function which comprises also to carry out the required review missions and to organise the evaluation missions (see Chapter H).

His / her main seat could be in the FAO Headquarters, Rome or preferably in the FAO Sub-Regional Office for Central and Eastern Europe located in Budapest (Hungary). The latter would facilitate the frequent travels to participating countries (Hungary bordering with Romania, Slovenia and Slovakia)..

The Coordination Committee will meet in the capitals of the participating countries on a rotational basis.

The National Projects will have their main seat in the capitals of the concerned country in the relevant forestry service.

B.6 Reasons for Assistance from FAO/Government Cooperative Programme

The state forestry services and in the case of the Czech Republic the forestry service of the "Association of Municipal and Private Forest Owners" have recognised the need for adapting the service structure to the increasing number of private small forest holders. However, they have neither the knowledge for this necessary adaptation nor the financial means to carry out the associated in-service training measures. In addition, they would hardly be in a position to establish a supra-national information and cooperation network as it will be possible with FAO facilitation, particularly as it should comprise also associations of West European countries. This is important also in view of the wish of most of the participating CEE countries to join the EU.

B.7 Special Considerations

The Project has a positive environmental impact, particularly on the forest ecosystems of the CEE countries due to improved use pattern.

Gender aspects need special attention during Project implementation. Traditionally, the forestry service staff is male. In the course of the training measures it needs to be ensured that more female staff is being trained and an adequate number of positions is reserved for them. This is important in order to reach female forest owners.

As already mentioned, special attention needs also the promotion of technical cooperation among the forest services and the forest owner associations of the various participating countries as an important aim of the Project. Technical cooperation with West European forest services and associations is part of it.

Public participation of forest management is another feature of the Project subject for special considerations as this means automatically to involve all stakeholders in the policy and legislation formulation process, including environmental and hunters' organisations. This is particularly critical because these organisations are traditionally in permanent conflict with forest owners and services.

B.8 Coordination Arrangements

Special cooperation arrangements have to be worked out and implemented with West European forest owner associations and the Confédération Européenne des Propriétaires Forestiers (CEPF) at European level. They have expressed their interest in further cooperating with the SFS or associations. There is also interest of the CEPF to support CEE associations in view of gaining membership in these countries. It is intended to involve the West European associations and their apex organisations further in all Project activities.

The cooperation with other organisation dealing with private/ community forest management in CEE is highly suitable. In particular the IUCN Regional Office for Europe should be considered a potential partner, having a long experience and being actively involved in similar tasks in the region.

All institutions and organisations which are already cooperating with the forestry services may play a role in the framework of the National Projects and the Regional Project as well. For example the forestry research institutions might need also to adapt part of their research programme to the needs of small forest holders. In this context the wood processing industry as commercial partners for the forest owner associations might be also target of the NP or the RP. During Programme implementation, according to arising needs, special arrangements might be required.

C. DEVELOPMENT OBJECTIVE

The development objective to which the Project contributes is:

"To establish a well organised and well managed private and community forestry sector in selected countries of Central and Eastern Europe which is profitable for the forest owners, contributes to the economic development and protects / develops forest resources and eco-systems for long term benefit of the population."

D. IMMEDIATE OBJECTIVE, OUTPUTS AND ACTIVITIES

The immediate Project objective is:

"To establish the essential requirements to support the development of profitable and sustainable private / community forestry in selected countries of Central and Eastern Europe."

The Project will operate at regional (transboundary) level to serve the National Projects (NP) in each of the participating countries. The NP will basically aim at restructuring the SFS and possibly other institutions / organisation and at influencing the forestry policy and the legislation.

Output 1

State forest services and the forest services of other organisations are enabled to meet the needs of the private / community forestry sector concerning training, advisory and management support services.

Activities:

- 1.1 Support / facilitate necessary training needs assessments for all relevant forestry services (state or private) and support / facilitate the preparation of plans of operations for the National Projects in all participating countries in a participatory manner.
- 1.2 Support the establishment of an in-service training programme for relevant forestry services.
- 1.3 Develop / improve public relation skills of relevant state or private forestry services by training, seminars and workshops.
- 1.4 Support the establishment of a country specific training and extension system for private forest owners and community users.
- 1.5 Support the elaboration of extension materials.
- 1.6 Organise study tours and exchange programmes / fellowships within the country and abroad for staff from state and private forest services according to specific needs of participating countries.
- 1.7 Support the establishment of a market information system for forest products.

- 1.8 Support the establishment of a regional network of trainers for CEE countries.
- 1.9 Support the development of partnerships and collaboration among forest services within each participating country and with other countries.
- 1.10 Support the establishment of participatory forest management planning on the basis of simplified and rationalised planning techniques.

Output 2

Private forest owners and community users are able and encouraged to establish forest owner associations.

Activities:

- 2.1 Support the relevant state and private forestry services to identify priority target groups within the private / community forestry sector and to develop strategies to reach these target groups with adapted messages and services.
- 2.2 Support the relevant state and private forestry services to identify in a participatory manner problems and priorities of private forest owners and community users.
- 2.3 Support the relevant state and private forestry services to inform, train and advise private forest owners and community users in view of building associations.
- 2.4 Support relevant state and private forestry services to promote self-help improvement measures of forest owners to increase benefits from private / community forestry.
- 2.5 Organise study tours and exchange programmes / fellowships within the country and abroad for key forest owners according to specific needs of participating countries.
- 2.6 Support the private forest owners to organise tenders before wood harvesting and other common marketing activities together with relevant state and private forestry services.
- 2.7 Support the private forest owners to organise collective input purchasing together with relevant state and private forestry services.
- 2.8 Support the private forest owners to organise an insurance system together with relevant state and private forestry services.

Output 3

Essential requirements are integrated in the institutional framework (consisting of forestry policy, legislation and institutions) to meet the needs of private forest owners and community users.

Activities:

- 3.1 Introduce participatory methods in all parts of the institutional framework and support their full integration in work routine.
- 3.2 Support an assessment of the current institutional framework for identification of problems and possible solutions.

- 3.3 Support prioritisation of development constraints of the private / community forestry sector.
- 3.4 If required, support the preparation of proposals to change / improve forest relevant legislation.
- 3.5 If required, prepare proposals for changing the forestry institutional structure in a participatory manner.
- 3.6 Support the preparation of proposals to adapt the forestry policy to needs of the private / community forestry sector.
- 3.7 Support the implementation of agreed proposals for improving the institutional framework.
- 3.8 Support the establishment of a feed-back mechanism to permanently improving the institutional framework.
- 3.9 Support national campaigns to promote private / community forestry.

E. INPUTS

In total, an amount of around 4,936,250 \$ is required. This money is for a project duration of 4 years. Basic input issues are:

a) Personnel Services (US\$1,552,100)

Programme management staff (US\$ 552,000)

- One project coordinator for 48 person/months (4 years)
- One general service person for 48 person/months (4 years)

International consultants (US\$ 619,500)

- Fifteen international experts and consultants for a total of 66,5 person/months (5.54 years).
Seven consultants are involved in the Training of Trainers: participatory approaches and methods, conflict management, extension methods, adult training, distance learning, promotion of association, gender aspects. Eight consultants provide specific support in extension, media and publication, marketing, forest owners association, legal aspects, institutions, evaluation. The specific TORs are described in annex 3.

National consultants (US\$ 166,000)

- Forty-nine national consultants, seven per each of the participating country, for a total of 76 person/months (6.32 years), providing support in: training need assessment, extension, media and publication, marketing, forest owners associations, legal aspects, institutions. The specific TORs are described in annex 3.

Technical support services (FAO Officers) (US\$264,600)

- Two backstopping officers from the Forestry Department, 8 months in 16 missions (four missions a year), TOR annex 3.
- One backstopping officer from the Legal Office, 3 months in 6 missions, TOR annex 3

- One back stopping officer from the Regional Office for Europe, 1 month in 4 missions, to supervise the correct implementation of the project.

b) Official Travel (US\$763.450)

- Travel professionals (US\$112,000)
- Travel international consultants (US\$346,750)
- Duty travel (US\$304,700)
including cross country mission of local partners (SFS, forest owners associations, etc) for partnership development

c) Contract (US\$280,000)

- Budget allocated for the development of contract and letter of agreement with local institutions, NGOs, association, universities, companies, etc.

d) Training (US\$1,423,700)

Training (US\$270,600)

- Training of trainers workshop: 8 trainees from 3 country, trained for 21 days, in year 1 and 2 (1008 person-days).
- Training of foresters: 3 training sessions of 7 days and 20 trainees each will be conducted and supported by the programme in each country (4 countries in year 1 and 3 countries in year 2) (2940 person days).

Workshops (US\$ 265,500)

- One regional and seven national inception workshops; one final regional workshop and seven follow-up national workshops; 35 local workshops

Study tours (US\$ 747.600)

- In-country study tours of owners: 100 owners per country will travel in year 2, 3 and 4 for 2 days.
- Out of country study tours of owners: 10 owners per country will travel every year for 4 days.
- In-country travels for foresters are not accounted for as they should be taken care of by their forest administration.

Funds for media and publications (US\$140.000)

e) Expendable equipment (US\$210,000)

- Training material, printing and document dissemination, communication, other expendable equipment (see annex 2)

f) Non expendable equipment (US\$77,000)

-One vehicle for the Project coordinator, plus additional non-expandable equipment (see annex 2)

g) General Operating expenses (US\$ 40.000)

h) Support costs (US\$ 540,000)

- About 13% of the total budget

F. RISKS

The Project can work only if a practical change in the forestry service and policy is wanted by the political decision making level. The Project will start working in all countries to show the advantages of the adaptations.

For contributing sustainably to the development objective, the achievement of the immediate objective must be associated with the fact that the governments are continuously willing to support private / communal forest owners via state and private forestry services and other supportive institutional framework conditions. The risk that this will not happen is rated as very low because the economic benefits from this support will be evident.

Precondition for well functioning forest owner associations are the strict use of democratic rules and control mechanisms. The risk that this does not happen in some associations is high in the next years until the population becomes better used to apply these rules. However, in total some of the associations will succeed in this respect. This will be sufficient to serve as model for others.

Output 1 (adaptation of the forestry services) cannot contribute to achieve the immediate Project objective if good relationship between the SFS on the one side and private forest owners and community users and their organisations on the other are prevented or seriously hampers due to social, ethnic or political reasons. The same output is also associated with the risk that the government does not provide sufficient financial means or does not allow that the staff is using sufficient time for the forestry extension service.

A real risk is associated with Output 2 (private / communal forest associations) with respect to the world market prices of timber and other wood products. The present prices are already at the lower end. If the prices are being reduced again this could discourage the forest owners to manage their forests. In such a situation the idea of establishing associations is not very attractive any more.

Output 3 (essential requirements are integrated in the institutional framework) cannot be achieved if the political will is not sufficiently developed to implement the proposals made by the Project for improving the institutional framework. Once Output 3 has been achieved, in addition, the political will and the institutional mechanisms are required to adapt permanently the institutional framework conditions to the changing situations and needs of the private forest owners and community users

G. PRIOR OBLIGATIONS AND PREREQUISITES

Prerequisites for the countries to participate in the Project are:

1. Agreement of the participating countries to the Project strategy and establishment of a National Project as part of the Regional Project.
2. Elaboration of a restructuring plan for the concerned forestry service which is backed by political support and the provision of required budgets, positions and staff in cooperation with the Regional Project.
3. The will and ability of the concerned state or private forestry service and the concerned political level to adapt its structure and capacities to the requirements of private forest owners and community users (basically to establish a communicative and supportive forestry extension service).
4. In case of overlapping tasks an agreement with other development projects in the forestry sector.

H. PROJECT REVIEW, REPORTING AND EVALUATION

In line with the recommendations of the CMT on the implementation of the new arrangements for the field programme, operational support will be provided by the Administrative and Operational Support Unit (AOSU) in Regional Office for Europe while technical backstopping will be provided by the Forestry Policy and Planning Division and the Forestry Resources Division in the FAO Headquarters and professional staff of other FAO departments as needed. In particular the backstopping support of the FAO Legal Office (LEGN) is required in respect to the legal work and components envisaged in the project.

The Project Coordinator will prepare every six months a Project Progress Report by using the FAO format. All Project Reports will be submitted with comments by FAO to the Recipient Government implementing agency and the Donor Government agency.

Towards the end of the Project and not later than six months before the end of the Project, the Project Coordinator will prepare and send a draft Terminal Report to FAO Headquarters for technical clearance, finalisation and submission to the recipient and donor Government agencies. This latter has to happen four months in advance for consideration at the terminal tripartite review meeting.

This report will assess, in a concise manner, the extent to which the Project's scheduled activities have been carried out, its output produced, and progress towards achievement of immediate objectives and related development objective. It will also present recommendations, if any, for any future follow-up action arising out of the Project.

The Project Coordinator is responsible to develop a monitoring system which allows evaluation of the achievements on the basis of the indicators defined in the logical framework for Project objectives and outputs. The use of this monitoring system will be compulsory for all national projects. Financial monitoring will be done according to FAO standards by the Project Coordinator.

I. BUDGET

Donor Contribution

(in US Dollars)

Project Budget

PDFR Project No./ Symbol:			Oracle Code	
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Project Title: Strengthening of Private and Community Forestry in Selected Countries of
Central and Eastern Europe

Budget Holder: Name:

Service:

Description	Oracle Code	Budget Line	Year 1	Year 2	Year 3	Year 4	Total
Positions							
Professional			1.0	1.0	1.0	1.0	1.0
General Service			1.0	1.0	1.0	1.0	1.0
International Consultants			13.0	15.0	8.0	7.0	15.0
National Consultants			49.0	42.0	42.0	28.0	49.0
Total			64.0	59.0	52.0	37.0	66.0
Staff Years							
Professional (years)			1.00	1.00	1.00	1.00	4.00
General Service (years)			1.00	1.00	1.00	1.00	4.00
International Consultants (years)			1.17	1,96	1,58	0,83	5.54
National Consultants (years)			1.33	2.08	2.08	0.83	6.32
Total			4.46	6.04	5,66	3,66	19,82

Budget (US\$)							
Staff costs							
Salaries							
Professional			120,000	120,000	120,000	120,000	480,000
General Service			18,000	18,000	18,000	18,000	72,000
Total			138,000	138,000	138,000	138,000	552,000
Overtime							
Total Staff Costs			138,000	138,000	138,000	138,000	552,000
International Consultants			129,000	220,500	177,000	93,000	619,500
National Consultants			34,000	56,000	55,000	21,000	166,000
Contracts			70,000	70,000	70,000	70,000	280,000
Travel Professionals			28,000	28,000	28,000	28,000	112,000
Travel International Consultants			78,000	118,250	95,500	55,000	346,750
Duty Travel			50,000	101,500	101,500	51,700	304,700
Training			346,800	481,100	359,900	235,900	1,423,700
Expendable Equipment			37,500	67,500	67,500	37,500	210,000
Non-Expendable Equipment			17,000	30,000	20,000	10,000	77,000
Total			928,300	1,310,850	1,112,400	740,100	4,091,650
General Operating Expenses			10,000	10,000	10,000	10,000	40,000
General Overhead Expenses							
Charge backs							
Technical Support Services			60,400	71,400	71,400	61,400	264,600
Support Costs							540,000
Total Budget							4,936,250