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►B REGULATION (EC) No 2494/2000 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 7 November 2000

on measures to promote the conservation and sustainable management of tropical forests and other forests in developing countries

(OJ L 288, 15.11.2000, p. 6)

Amended by:

		Official Journal		
		No	page	date
►M1	Regulation (EC) No 2110/2005 of the European Parliament and of the Council of 14 December 2005	L 344	1	27.12.2005

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THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 175 and 179 thereof,

Having regard to the proposal from the Commission ([1]),

Having regard to the Opinion of the Economic and Social Committee ([2]),

After consulting the Committee of the Regions,

Acting in accordance with the procedure laid down in Article 251 of the Treaty ([3]), in the light of the joint text approved by the Conciliation Committee on 27 July 2000.

Whereas:

(1) Forests have a variety of functions and values for mankind and can contribute to the achievement of Community development and environment objectives such as the campaign against poverty, sustainable economic and social development and the protection of the environment.

(2) In numerous resolutions, the European Parliament has expressed its concern over the destruction of forests and the consequences for forest-dependent people, in particular indigenous peoples.

(3) In reply to the request by the European Parliament in its Resolution on the European Union's forestry strategy ([4]) the Commission has adopted, a Communication 'Forests and Development: the EC approach' setting out a strategy for Community action on the promotion of the conservation and sustainable management of forests in developing countries.

(4) The objectives of this strategy are to be pursued in the context of the broader Community aim of promoting the conservation and sustainable use of forests, in whatever geographical area or climate zone they may be situated.

(5) The Community and its Member States are signatories to the Rio Declaration and the Agenda 21 action programme and are committed to the United Nations General Assembly Special Session (Ungass) resolution 'Programme for the further implementation of Agenda 21'.

(6) The Community and its Member States are members of the World Trade Organisation and parties to Multilateral Environment Agreements, notably the Convention on Biological Diversity, the Framework Convention on Climate Change and the Convention to Combat Desertification; They are thus committed to take into account the common but differentiated responsibilities of developed parties and developing parties on these subjects.

([1]) OJ C 87, 29.3.1999, p. 97 andOJ C 248 E, 29.8.2000, p. 97.
([2]) OJ C 258, 10.9.1999, p. 13.
([3]) Opinion of the European Parliament of 5 May 1999 (OJ C 279, 1.10.1999, p. 184), Council Common Position of 16 December 1999 (OJ C 64, 6.3.2000, p. 55) and Decision of the European Parliament of 14 March 2000 (not yet published in the Official Journal). Decision of the European Parliament of 20 September 2000 and Council Decision of 7 September 2000.
([4]) OJ C 55, 24.2.1997, p. 22.

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(7) In its 1997 Special Session, the United Nations General Assembly has endorsed the proposals for action formulated in the framework of the Intergovernmental Panel on Forests (IPF). The Community and its Member States are fully committed to the implementation of these proposals.

(8) Council Regulation (EC) No 3062/95 of 20 December 1995 on operations to promote tropical forests [1] set out the framework for Community assistance in this area. Regulation (EC) No 3062/95 was applicable until 31 December 1999. The experience acquired during the implementation of Regulation (EC) No 3062/95 should be reflected in this Regulation.

(9) In its Resolution of 30 November 1998, the Council acknowledges the role that indigenous peoples play in managing the environment, in particular with regard to the conservation and sustainable use of forests in developing countries.

(10) The financial instruments available to the Community for supporting the conservation and sustainable development of forests should be supplemented.

(11) Provision should be made for funding the activities referred to in this Regulation. Considerable financial resources are necessary for a significant contribution to the protection of tropical and other forests in developing countries, where deforestation has led, or threatens to lead, to environmental disasters such as flooding or air pollution.

(12) This Regulation lays down, for the entire duration of the programme it establishes, a financial framework constituting the prime reference, within the meaning of point 33 of the Interinstitutional Agreement between the European Parliament, the Council and the Commission of 6 May 1999 on budgetary discipline and improvement of the budgetary procedure [2], for the budgetary authority during the annual budgetary procedure.

(13) Detailed rules for implementation should be laid down, in particular the form of action, the cooperation partners and the decision-making procedure.

(14) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission [3],

HAVE ADOPTED THIS REGULATION:

Article 1

The Community shall provide financial assistance and appropriate expertise to promote the conservation and sustainable management of tropical forests and other forests in developing countries, so as to meet the economic, social and environmental demands placed on forests at local, national and global levels.

The assistance and expertise provided under this Regulation shall complement and reinforce that provided through other instruments of development cooperation.

Article 2

For the purposes of this Regulation:

1. ‘Tropical forests and other forests’, hereinafter referred to as ‘forests’, means natural and semi-natural forest ecosystems, whether primary

[1] OJ L 327, 30.12.1995, p. 9.
[2] OJ C 172, 18.6.1999, p. 1.
[3] OJ L 184, 17.7.1999, p. 23.

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or secondary, whether closed or open forests, in dry, semi-arid and humid areas.

2. 'Conservation' means all activities to preserve and rehabilitate forests, in particular activities designed to protect or restore the biological diversity and ecological functions of the forest ecosystem, while securing as far as possible their current and future value for mankind and in particular for forest-dependent people.

3. 'Sustainable forest management' means the management and use of forests and wooded lands in a way, and at a rate, that maintains their biological diversity, productivity, regeneration capacity, vitality and their potential to fulfil, now and in the future, relevant ecological, economic and social functions, at local, national, and global levels, without causing any damage to other ecosystems.

4. 'Sustainable development' means the improvement of the standard of living and welfare of the relevant populations within the limits of the capacity of the ecosystems by maintaining natural assets and their biological diversity for the benefit of present and future generations.

5. 'Forest-dependent people' means the indigenous peoples who inhabit the forest or claim it as their traditional home and any people who live in or near the forest and have traditionally been directly and to a large extent dependent on the forest.

Article 3

Activities to be carried out under this Regulation shall aim at:

— raising the status of forests in national policies and integrating forest policies based on sustainable forest management in development planning;

— promoting the production and use of wood and non-wood forest products from sustainably managed resources;

— contributing to the adequate valuation of forest resources and services;

— ensuring active participation of forest-dependent people and local communities in the development of national forest policies and in development planning;

— improving coordination and the flow of information between Commission and Member State projects so as to put in place coherent actions in that area.

Article 4

1. The activities to be carried out under this Regulation shall address in particular:

(a) development of appropriate national and international forest policy frameworks based on realistic valuation of forests, which include land use planning, equitable trade in sustainably produced forest products, legal and fiscal measures, institution building, support to the private sector and support to self-development of forest-dependent people to shape their own social, economic and cultural development. These shall take into account other sectoral policies which have an impact on forests and the interests and customary rights of forest-dependent people;

(b) conservation and restoration of forests which are considered to be of importance due to their high ecological value, in particular their value for the preservation of biodiversity, or due to their local and global impacts, such as the protection of hydrographic basins, the prevention of soil erosion, or of climate change;

(c) sustainable forest management and utilisation to provide economic, social and environmental benefits and including, *inter alia*, forest certification — taking account of the different management conditions for small and large forest areas — and environmentally

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sound harvesting of both wood and non-wood forest products and natural and assisted forest regeneration;

(d) economic viability of sustainable forest management through more efficient utilisation of forest products and technical improvements of downstream activities related to the forest sector such as small and medium scale processing and marketing of wood and nonwood forest products, the sustainable use of wood as an energy source and the promotion of alternatives to agricultural practices based on forest clearing;

(e) knowledge and information generation and management concerning forest services and products, in order to provide a sound scientific basis for the activities listed under (a) to (d).

2. Activities eligible for financing shall include pilot projects in the field, innovative programmes, studies and research, the results of which will, in addition to their specific objectives, contribute to the development, adjustment and better implementation of forestry policies of the Community and of partner countries.

3. Particular attention shall be given to:

— encouraging environmentally and socially responsible private entrepreneurship in the forest products processing and marketing chain, in the context of agreed policies for private sector development and taking into account existing social systems and community-based economic activities;

— encouraging the direct participation of cooperation partners in the developing countries, and at the same time ensuring an appropriate scale of interventions and adaptation of administrative procedures to local management capacity;

— providing prior information and ensuring the participation of forest-dependent people and local communities in activities carried out under this Regulation, taking into account their development priorities and economic, social and cultural rights, *inter alia*, through capacity building, in order to ensure their full participation in all decision-making processes;

— the sustainability of any proposed activity, social, economic as well as environmental;

— proper coordination and information flows between the Commission and the Member States in order to ensure coherence of activities in the regions concerned;

— gender-specific roles, knowledge, perspectives and contributions of women/girls and men/boys in the management and use of forests.

4. Priorities shall be determined in accordance with:

— the needs of each country as reflected in regional and national development and environment policies relating to forests, considering national forest plans and local needs, and

— Community cooperation objectives as established by the Commission in jointly agreed country strategy papers.

5. Activities carried out under this Regulation shall be preceded by environmental and socio-cultural impact assessments, including an assessment of the congruence of the envisaged operations with the development priorities of the forest-dependent people and local communities concerned, as well as analysis of financial and economic feasibility. These activities shall also be preceded by a transparent exchange of information with forest-dependent people and local communities and be conditional on their support.

6. Activities carried out under this Regulation shall be coordinated with, and may provide support for, national and international programmes and activities on the conservation and sustainable management of forests, in particular the proposals for action formulated by the Intergovernmental Panel for Forests/Intergovernmental Forum for Forests (IPF/IFF) process.

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7. When appropriate, activities shall be carried out within the framework of regional organisations and international programmes of cooperation and shall be supportive to the development of a global policy on the conservation and sustainable management of forests in which Community policy can be integrated.

Article 5

Cooperation partners which may receive assistance under this Regulation shall include international organisations, States, regions and regional bodies, decentralised departments, public agencies, private operators and industries, cooperatives, local communities, non-governmental organisations and associations representing local people, in particular forest-dependent people.

Article 6

1. Community financing may cover studies, technical assistance, education, training or other services, supplies and works, small grant funds as well as appraisals, audits and evaluation and monitoring missions. It may cover, within the limit established annually by the budgetary authority, technical and administrative assistance costs, to the benefit of the Commission and the beneficiary, related to operations other than the permanent tasks of the public administration, linked to the identification, preparation, management, monitoring, auditing and control of programmes or projects.

Community financing may cover both investment, linked to a specific activity, with the exception of the purchase of real estate, and recurrent expenditure (including administrative, maintenance and operating expenditure).

With the exception of training, education and research programmes, recurrent expenditure may normally be covered only during the start-up phase and on a gradually decreasing basis.

2. A contribution from the cooperation partners defined in Article 5 shall be sought for each cooperation activity. Their contribution shall be requested according to their means and the nature of the activity concerned.

3. Opportunities may be sought for cofinancing with other donors, especially with Member States and the international organisations concerned. In this respect, coordination with the measures taken by other donors shall be sought. ►**M1** Participation in contractual procedures implemented through an international organisation or co-financed with a third country is defined in Regulation (EC) No 2110/2005 of the European Parliament and of the Council of 14 December 2005 on access to Community external assistance ([1]). ◄

4. The necessary measures shall be taken to emphasise the Community character of the assistance provided under this Regulation.

5. In order to attain the objectives of consistency and complementarity laid down in the Treaty and with the aim of guaranteeing optimum efficiency for all these activities, the Commission shall, in liaison with Member States, take all coordination measures necessary, including in particular:

(a) the systematic exchange and analysis of information on activities financed or being considered for financing by the Community and the Member States;

(b) on-the-spot coordination of these activities by means of regular meetings and of information between representatives of the Commission and of the Member States in the beneficiary countries.

6. In order to obtain the greatest possible impact of the activities at global, national and local levels, the Commission, in liaison with the Member States, shall take any initiative necessary for ensuring proper

([1]) OJ L 344, 27.12.2005, p. 1.

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coordination and close collaboration, especially regarding the exchange of information, with the cooperation partners, donors and other international organisations involved, in particular those forming part of the United Nations system.

Article 7

Financial assistance under this Regulation shall take the form of grants.

Article 8

The financial framework for implementing this Regulation during the period from 2000 to 2006 shall be EUR 249 million.

The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective.

Article 9

1. The Commission shall be responsible for appraising, taking decisions to finance and administering activities covered by this Regulation according to the budgetary and other procedures in force, and in particular those laid down in the Financial Regulation applicable to the general budget of the European Communities.

2. Every second year, the Commission shall adopt, in accordance with the procedure laid down in Article 10(2), strategic guidelines and priorities for implementing the activities to be carried out in the following years. It shall inform the European Parliament thereof.

3. Decisions relating to grants of EUR 3,5 million or more for individual activities financed under this Regulation shall be adopted by the Commission in accordance with the procedure laid down in Article 10(2).

4. The Commission shall inform the Committee referred to in Article 10(1) succinctly of any financing decisions it intends to take with regard to grants of less than EUR 3,5 million for activities covered by this Regulation. The information shall be made available not later than one week before the decision is taken.

5. The Commission shall be authorised to approve any extra commitments needed for covering any expected or real cost overruns or additional requirements in connection with the activities, provided that the overrun or additional requirement is less than or equal to 20 % of the initial commitment fixed by the financing decision.

6. All financing agreements or contracts concluded under this Regulation shall provide for the Commission and the Court of Auditors to conduct on-the-spot checks in accordance with the usual procedures laid down by the Commission under the rules in force, in particular those of the Financial Regulation applicable to the general budget of the European Communities.

7. Where operations are the subject of financing agreements between the Community and the recipient country, such agreements shall stipulate that the payment of taxes, duties or any other charges is not to be covered by the Community.

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8. Eligibility for participation in tendering procedures under this Regulation shall be determined in accordance with the rules of eligibility, and the derogations therefrom, set out in Regulation (EC) No 2110/2005.

9. The origin of supplies and materials purchased under this Regulation shall be determined in accordance with the rules of origin, and the derogations therefrom, set out in Regulation (EC) No 2110/2005.

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10. Particular attention shall be given to:

— the pursuit of cost-effectiveness and sustainable impact of activities,

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— the clear definition and monitoring of objectives and indicators of achievement for all activities.

Article 10

1. The Commission shall be assisted by the appropriate geographically-determined committee responsible for development, hereinafter referred to as the 'Committee'.

2. Where reference is made to this paragraph, Articles 4 and 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

The period laid down in Article 4(3) of Decision 1999/468/EC shall be set at one month.

3. The Committee shall adopt its rules of procedure.

Article 11

1. By 1 September after each budget year, the Commission shall submit an annual report to the European Parliament and the Council, summarising the activities financed in the course of that year and evaluating the implementation of this Regulation over that period.

The summary shall in particular provide information about the number and nature of the activities financed, the cooperation partners and the countries concerned. The report shall also indicate the number of external evaluations carried out regarding specific activities.

2. The Commission shall regularly evaluate activities financed by the Community with a view to establishing whether the objectives aimed at by those activities have been achieved and to providing guidelines for improving the effectiveness of future activities. The evaluations will take into account the views of the beneficiaries, including forest-dependent people and local communities. The Commission shall submit to the Committee referred to in Article 10(1) a summary of the evaluations made. The evaluation reports shall be available to any Member State, to the European Parliament and to other interested parties.

3. The Commission shall inform the Member States, at the latest one month after its decision, of the activities that have been approved, stating their cost and nature, the country concerned and the cooperation partners.

4. A financing guide specifying the guidelines and criteria applicable to the selection of activities shall be published and communicated to the interested parties by the Commission services, including Commission delegations in the countries concerned.

Article 12

1. This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Communities*.

It shall apply until 31 December 2006.

2. Four years after the entry into force of this Regulation the Commission shall submit to the European Parliament and to the Council an overall evaluation of the activities financed by the Community under this Regulation, in the context of overall Community development cooperation, together with proposals concerning the future of this Regulation, including its possible modification or termination.

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