

**Third Meeting of the APFNet Interim Steering Committee**  
**Golden Spring Hotel, Kunming China**  
**5 June 2012**

**SUMMARY OF DISCUSSIONS**

**Opening Session**

Madame Yin Hong, Vice Minister of the State Forestry Administration (SFA) of P. R. China and Chair of the Interim Steering Committee (ISC) welcomed the members of the Steering Committee to this Year's Meeting and expressed her gratitude for the members willing to travel from many different economies to attend the meeting. She briefly reviewed the development of the ISC to date, noting that it now includes eight economies and three organizations with the approval in 2012 of ITTO as a member. She added that the Operational Framework had also been reviewed and several rounds of feedback sought and obtained. There was no doubt that the ISC has fulfilled its responsibilities. This year's meeting will review the 2012 Work Report, the proposed Work Plan for 2013, and discuss next steps for institutional development and related organizational procedures. Vice Minister Yin then introduced Mr. Su Chunyu, Director General of International Cooperation, SFA and asked him to serve as co-chair and manage the remainder of the meeting on her behalf.

Mr. Su asked the members and representatives of the ISC in attendance to introduce themselves. The Provisional Agenda was adopted without revision, and the ISC approved Mr. Su's proposal that Mr. Phillip Antweiler, a Consultant to APFNet, facilitate the Meeting.

**Session One: Report on APFNet Progress in 2012 and Work Plan for 2013**

Noting that the Members of the ISC had received written copies of the 2012 Progress Report and the Proposals for 2013 and that it was not necessary therefore to repeat the content of those documents, Mr. Qu Guilin, APFNet Executive Director, offered several comments and observations about the state of APFNet. He first noted that his first full year in office had confirmed his view that the APFNet staff is a very good team that likes to challenge itself, that is mostly young with limited experience but eager to learn and further develop its skills. Suggestions and input from the ISC on staff development issues is always very welcome.

In 2012 APFNet created new divisions in the Secretariat, and moved to a new office location. He noted the continuing effort and importance of APFNet having a presence in high-level policy forums given that forestry is no longer simply a technical issue. Capacity building workshops have generally been smooth, but some aspects are lagging a bit. Projects continue to be a central feature of APFNet's work. The 2012 Budget was about \$5 million USD, about 75% of which was spent on substantive activities. The APFNet Fund's creation is on track.

For 2013, ED Qu recommended 6 priority focuses, as outlined in the written document. He particularly emphasized the importance of improving the quality of capacity building activities, noting that the creation of the Kunming Training Center opened new possibilities for improving APFNet's work. In sum, 2012 can be viewed as a Year of Transformation for APFNet. It is increasingly clear that forestry problems cannot be solved only by technical roadmaps, and APFNet needs to be part of the effort to develop models and mechanisms that factor in culture, people and local conditions. The ISC's continued support for the Secretariat's efforts remains very crucial.

DG Su thanked ED Qu for his remarks, and for the staff's efforts during 2012, then turned the session over to the Facilitator for discussion and feedback.

Multiple economies and organizations thanked the ED and the whole Secretariat staff for their “unbelievable achievements for an organization only five years old. Several opportunities were identified to further disseminate information about APFNet's activities, including the upcoming ITTO meeting in Gabon, and the APFC meeting in New Zealand. In addition, China will host the 2014 APEC Leaders' Meeting.

FAO supported making improving the quality of training and workshops a priority, noting that it is easy to do workshops, but much harder to deliver quality that has an impact in the field. FAO noted its willingness to continue partnerships with APFNet, including the possibility of co-convening the Third Asia-Pacific Forestry College Deans' Conference. FAO also noted the importance of staff training, adding that it had hosted an APFNet staff in an exchange rotation. Internationalization of staff continues to be an important, although challenging objective. Malaysia urged the Secretariat to continue to make the Strategic Plan the basis for determining priorities, and to not lose sight of the importance of avoiding duplication. It requested that the 2013 proposed budget be broken down into categories of expenditures. ITTO commented that the timing of the annual report and suggestion for priorities is problematic, in that it was already nearly halfway through 2013, DG Su urged the Secretariat to make revisions as necessary to the Work Plan and priorities, based upon the ISC's comments.

The Secretariat provided a brief update on the status of approval of the Operational Framework. As of the 3<sup>rd</sup> ISC meeting, 20 economies and four regional organizations have approved the Framework, Thailand being the most recent. Support is still being sought from additional economies, as well as academic organization. Malaysia noted that the Document still needs Cabinet approval for it to complete its internal procedures. DG Su welcomed the increasing acceptance of the Operational Framework.

## **Session 2: Next Steps for APFNet's Institutional Development**

The Secretariat presented an overview of the initial thinking on next steps for APFNet's institutional development, to move beyond the current transitional procedures, and based on the guidelines provided by the Operational Framework. The objectives are to establish the Initial APFNet Board, Develop the Council to combine the Interim Steering Committee and the Focal Points meeting (but retaining the Focal Points mechanism itself), and to determine eligibility and selection procedures. A number of factual items were clarified about the proposal during initial questions. Several ISC members commented that many organizations used their Council as the Board, but that there is no reason why APFNet cannot use a differing body. It is relatively new that organizations include both governments and NGO's, but this is a new trend. There was a strong consensus that clearer and more functional governance structures are now appropriate for APFNet. FAO noted that it is important to adopt a board structure that is able to make decisions efficiently, and to address difficult issues. Too large a board can be cumbersome, and procedures should be kept as simple and flexible as feasible, consistent with clarity. Twelve to fifteen members on a Board is about right, assuming careful selection that preserves balance and diversity. There was considerable discussion about the timeline for forming the board and council, with various ISC members noting the need to get the job done, synchronize the Boards

formation with its duties (e.g., the responsibility to craft a new strategic plan to replace the current one running until 2015). No decision was taken on timeline, but the discussion highlighted additional factors that needed to be considered.

Other questions focused on characteristics and operations of the board – remuneration, legal status, nature of service (personal capacity or as representative). ED Qu briefed the meeting on China’s developing policy on international and regional organizations, noting that how APFNet would become an international organization was a work in progress, and the relationship between APFNet governance structures and the “sponsoring” ministry in China would likely evolve over time. The general sentiment seemed to be that it would be feasible for a person to be a member of both the board and the council. While the proposal does not call for any specific regional representation, there was a consensus that geographic balance would be a key criterion for the board, as well as substantive qualifications, including in-depth knowledge of sustainable forest management. After discussion, there was agreement that while setting up a staggered terms system for the board, it probably was not sensible to do so by asking some initial board members to serve only one year terms. Members also felt that more thinking and clarification was needed about the roles and procedures related to the Council, and about the respective powers and roles of the Board and the Council. The facilitator summarized the discussion, and thanked participants for the very useful input provided to help the Secretariat advance its proposal to the next level. DG SU thanked participants for accepting the draft plan in principle, and requested the Secretariat to revise the document according to the feedbacks, including a more specific proposed timeline, and circulate to the document for confirmation again.

### **Session 3: Discussion of APFNet Rules and Regulations (Draft Project Appraisal Panel and Staff Regulations)**

The Secretariat introduced the Draft Rules of Procedure for the Project Appraisal Panel, noting that the panel would be composed of a maximum of 11 members, not on either the APFNet Council or Board. Panel specialists should be experts on one or more of the APFNet Thematic Priorities. The current panel should run until the expiration of the Strategic Plan, i.e. through 2015. DG Su noted the importance of the Appraisal Panel for effective selection of projects.

ITTO and other members asked several questions for clarification. Additional information was offered that these Rules are only Part of Project Development Manual that is being developed, that a Panel will be needed prior to when the Board is likely to be selected, so some transitional selection procedures will need to be utilized. There was considerable discussion of how to provide for an adequate period for development of the project proposal for successful Concept Notes, while at the same time **keeping** the project pipeline moving and taking into account Chinese government and other funding cycles. Some additional specificity may be needed on procedures for moving from “grading”: to “rank ordering”: concept notes and project proposals. The criteria need to be able to adjust to changing strategic priorities. Care needs to be taken in the initial grading to not create false hopes. It is demoralizing to spend lots of staff time developing a project proposal only to be disqualified at that later stage, or not receive funding. The Panel needs to consider whether strong but not funded proposals from previous cycles can be reconsidered in subsequent years. Feedback from the appraisal panel can be very helpful to those who worked on proposal development, whether or not the proposal is successful. ED Qu observed that project selection remains a challenging process. It is sometimes difficult to get

feedback from the proponent, sometimes there are process disconnects between governments, those who submit proposals, and funders, and some projects look good on paper but appear otherwise when inspected.

DG Su concluded the session by noting that several questions need to be clarified or particular items revised. He requested the Secretariat to do so and circulate the revised document to the ISC.

The final discussion of the ISC meeting considered Draft Staff Regulations which had been developed pursuant to a requirement of the Operational Framework. ED Qu noted that the staff regulations are an effort to develop guidelines based on the eventual goal of at least some officials being international civil servants, as well as the eventual possibility that APFNet might have offices in other economies. FAO noted that while staff internationalization and the associated questions of privileges are good goals, this will not be an easy process, and often creates tensions within organizations. In addition, agreements between APFNet and host governments will have to be crafted and approved.

A number of specific suggestions were offered. It would be good to have a staff development program. The grounds for termination should be made more specific, explicitly adding embezzlement and fraud. The period between a decision to terminate and actual dismissal should be shorter. Procedures and criteria for authorization of business class travel should be made more specific. APFNet should look at current practice and law regarding paternity leave. Finally, APFNet should consider creating a special grievance entity and procedures to protect the confidentiality of all involved. In addition, liability issues related to the ED's official actions should be thought about. DG SU emphasized that Staff Regulations will remain under development, and thanked participants for their useful input.

In a closing discussion, Thailand suggested that APFNet look into partnering with the ASEAN Secretariat on technical cooperation as a priority.

Thailand will consider the feasibility of its hosting the next ISC in Bangkok, and inform the Secretariat of its willingness. The target timeframe is late March/early April, subject to more detailed consideration of the schedule of other events, and further consultation with Thailand.

DG Su closed the session by thanking all participants for their useful input during an intensive day's discussion, and expression appreciation to the facilitator for his services during the day.

The ISC events concluded with an evening reception/dinner cordially hosted by Vice Minister Yin Hong.