



**Asia-Pacific Network for Sustainable
Forest Management and Rehabilitation**

**Summary of Decisions, Recommendations and Discussion
Second Meeting of the APFNet Board of Directors**

Thursday, 12 May 2016 Siem Reap, Cambodia

Present

Mr. ZHAO Shucong (Chair)
Mr. QU Guilin (Secretary)
Mr. Grahame B. APPLGATE
Dr. CHEA Sam Ang
Dr. Rex Victor O. CRUZ
Mr. Pralong DUMRONGTHAI
Mr. Patrick DURST
Mr. FAN Kejun
Mr. Jack HURD
Dr. Ganesh Raj JOSHI
Mr. LI Qiang
Mr. Stephen MIDGLEY
Dr. Sadanandan NAMBIAR
Mdm. WAN Hasmah

Quorum present

Yes

Observer

Mr. Preecha ONGPRASERT, Chair of APFNet Council

Meeting support

Ms. Rosalie McConnell, facilitator, APFNet consultant
Mr. Mahendra Lal JOSHI, APFNet consultant
Ms. Alexandra WU, minutes taker, APFNet Secretariat
Ms. WANG Yingyi, APFNet Secretariat
Mr. HUANG Kebiao, APFNet Secretariat

Opening of the meeting

Organizational matters

Mr. Zhao Shucong, Chair of the Board of Directors, welcomed participants and thanked Forestry Administration of Cambodia for hosting the meeting. He noted that all directors provided valuable inputs into APFNet's development over the past year and he extended his gratitude for their contributions. He was pleased that all directors were in attendance for this second meeting and introduced them, along with Mr. Preecha Ongprasert (Chair of the Council), the facilitator and other resource people. He then called for the adoption of the agenda.

The Board approved the agenda [Document: APFNet/Board/ENG/2016/01], as presented.

Session 1 Membership of the Board

Agenda Item 1 Change of the ex-officio member representing China

Agenda Item 2 Extension of 4 One-year Directors' term

The Chair introduced China's new ex-officio member, Mr. Fan Kejun from the Ministry of Finance. He is in charge of central fiscal policies related to forest ecology and the environment and he replaces Mr. Zhang Yansong. Mr. Fan indicated that he is honoured to serve on the Board and noted the Ministry of Finance's keen interest in the work of APFNet. He pledged continued support, including for demonstration projects.

Mr. Zhao reminded members of the Board's Rules of Procedure with regard to staggered terms of office and noted that the terms of four directors expired in April 2016. Since the rules also provide for three-year extensions, the Secretariat, following consultations in January, invited them to attend this meeting when members discussed this matter.

Decision B.02/01 *In accordance with Rule 10 (Term of Office) in the Rules of Procedure of the Board of Directors [Document: APFNet/Board/ENG/2015/04], the Board agreed to extend the terms, by three years through 7 April 2019, of the following members: 1) Mr. Li Qiang, 2) Mdm. Wan Hasmah Wan Mohd, 3) Mr. Pralong Dumrongthai and 4) Dr. Chea Sam Ang.*

Session 2 Review of APFNet's work and plans

Agenda Item 3 APFNet Progress and Financial Report 2015

Mr. Qu presented the 2015 work report [Document: APFNet/Board/ENG/2016/03] for the Board's information. He referred to the performance sheet (pages 10-15) and indicated that, with the publication of APFNet's annual report the previous week, no items were now outstanding.

He noted that the development of the second strategic plan was a key initiative in 2015 and that Dr. Mahendra Joshi, the lead author, would present the most recent draft in session 5. The document builds on the first strategy and reflects the priorities which member economies expressed during consultations. It also responds to comments made in a comprehensive survey of stakeholders, is action-oriented, calls to respect differences, and embraces innovative thinking to meet identified needs.

With regard to institutional development, Mr. Qu informed the group that APFNet is increasingly being managed in an international way as part of the Secretariat's efforts to attract regional staff. It is forging partnerships to work in areas of common interest, including in Greater Central Asia, where no other organization has attempted to unite efforts to achieve sustainable forest management in this region. He also highlighted the successful conclusion of a third Meeting of APEC Ministers Responsible for Forests; reported 77% achievement of APEC's goal to reach 20 million ha of forest cover by 2020; and stated that eight projects, worth USD4 million, were approved in 2015.

He further informed participants that APFNet received about USD4.41 million and spent about USD4.45 million, the details of which can be found at the end of the report. Following an examination of financial records, an internationally known firm (Ruihua Certified Public Accountants) expressed the opinion that APFNet's financial statements "present fairly, in all material respects, the financial position of the Network as of 31 December 2015, and the results of its business activities and cash flows for the year ended [are] in accordance with Accounting System for Non-profit Organizations and relevant statutory requirements in China."

Directors commended APFNet for its 2015 accomplishments but suggested that, in future, the description of demonstration projects could include outputs and impacts, rather than only inputs and activities - for example, the extent to which initiatives improved livelihoods. They also stressed the importance of building capacity, finding ways to strengthen the network aspect of APFNet, and identifying areas where it could add value to what others are doing in terms of forest restoration, given the limited budget available. The need to improve communications among projects was also mentioned as a means to maximize impacts through sharing best practices and lessons learned.

Agenda Item 4 APFNet Annual Work Plan and Budget 2016

At the request of the Chair, Mr. Qu presented the proposed annual work plan and budget for 2016 [Document: APFNet/Board/ENG/2016/04]. He mentioned that APFNet continues to look forward to receiving advice and guidance from the Board and the Council as it carries out its programs and activities in the current year. He then highlighted activities that the Secretariat is undertaking in the area of institutional development, including plans to invite internships and secondments from other economies to complement the team in Beijing. With regard to policy dialogues, it is working with members to identify a host for the 4th Meeting of APEC Ministers Responsible for Forests and is co-organizing a first gathering of ministers in Greater Central Asia, in Kazakhstan, at the end of May. Efforts are also being made to improve

project monitoring and evaluation by asking proponents to include specific indicators so they can clearly report results.

Under capacity-building, the Scholarship Program is exploring the possibility of expanding to more universities and will sponsor about 20 more students to obtain Master degrees. Thematic training workshops will be organized in Kunming and Inner Mongolia of China, and Sri Lanka, in addition to a study tour for forestry directors working in Greater Central Asia. The Asia-Pacific Forestry Education Coordination Mechanism will continue to improve the quality of education and capacity in the region through a number of initiatives - certifying online courses and facilitating mutual recognition of courses in regional institutions, for example. Worthy of note is the award which APFNet received from the Canadian Network for Innovation in Education to recognize its significant contributions in the category of “Excellence and Innovation in the Integration of Technology in Educational Practices/Collaboration”.

Mr. Qu then mentioned the more than twofold increase in APFNet’s budget - from USD4.41 in 2015 to about USD9.71 million for 2016, most of which was obtained from China.

Before opening the floor for discussion, the Chair invited the Chair of the Council to share comments that were given at its meeting on 10 May. Mr. Ongsprasert reported that members expressed their continued support for activities contained in the document, including APFNet’s Scholarship Program and projects it is co-funding with partners. Support was also given to more frequent communication with Council members and to increasing the multi-cultural aspect of the Secretariat through secondments and internships from other Asia-Pacific economies. Also, they noted the importance of passing on experiences and learning from such arrangements. Collaboration on issues of mutual interest and concern was seen as a key element, not only to avoid duplication, but to build on the comparative advantages of each partner. In addition, members mentioned that APFNet’s strong ties to APEC presents a unique opportunity to access leaders and keep forestry on the political agenda. In this regard, it was suggested that a concerted effort be made to link the outcomes of major events, such as the Asia-Pacific Forestry Commission’s Forestry Week, with meetings of APEC Ministers Responsible for Forests. The Secretariat was also asked to take geographic distribution into account to a greater extent when selecting projects for funding.

During the discussions which ensued, the Board expressed its appreciation for Mr. Qu’s comprehensive report and recognized that APFNet was doing much good work in the region. They asked the Secretariat to consider the following comments in any revision to the document:

- In terms of networking, members of the Board urged APFNet to identify its niche and look for areas where it could add value rather than duplicate the efforts of other organizations, especially given its limited budget compared to some other partners. How this task could be carried out and who would make the value judgments remain

uncertain and a challenge.

- Many issues outlined in the document could be addressed during discussions of the second 5-year strategic plan, including the breakdown of budget categories - for example the 57% allocation to projects. Care must be taken to tie outcomes of projects to the 4 pillars and to link the work plan and budget to the strategy. Opinions differed on how much of the budget should be spent on policy dialogue versus communications/information sharing, noting that the impact of the former was more difficult to assess than the latter. Some directors also thought that part of the allocation for projects could be moved to capacity-building.
- Not all projects need to be linked to all 4 pillars but each initiative should have a component which describes lessons learned.
- Although the budget proposes a 57% allocation to projects, funds are small compared to other sources - a fact that argues for building strong links to other projects. Those who formulate proposals should include this aspect in their submission but, in reality, such information is not often requested or provided. Pilot tests and innovative approaches that are successful can provide the basis for further expansion, with funding from other sources, including investors and donors.

In wrapping up this item, Mr. Qu explained that APFNet's institutional development is partially influenced by its main contributors, including the Government of China and China's Ministry of Finance. He undertook to pass on the Board's comments for their consideration but noted APFNet's need to balance the valuable inputs from directors with the reality of how monies must be spent.

Decision B.02/02 *The Board approved, in principle, the APFNet Annual Work Plan and Budget 2016 [Document: APFNet/Board/ENG/2016/04] and requested the Secretariat to incorporate the above comments, to the greatest extent possible. It should also take them into account when drafting the work plan and budget for 2017.*

Session 3 APFNet Operational documents

Agenda Item 5-1 APFNet Operations Manual

It was suggested that a hold-back of 30% on project contracts in section **X** 4. 3) could impose hardship on small organizations so perhaps a lesser amount (10-15%) could be stipulated. Section **II** 2) should read "Assistant Executive Director(s)". Also, the remuneration for consultants should be reviewed on a regular basis (section **VIII** 2), along with appendix 2 (APFNet standards for travel accommodation and allowance).

Decision B.02/03 *The Board approved the APFNet Operations Manual, with the changes noted above [Document: APFNet/Board/ENG/2016/05].*

Agenda Item 5-2 APFNet Salary and Subsidy Scheme

As with the previous document, the Board noted the need to review salaries and subsidies on a regular basis.

Decision B.02/04 *The Board approved the APFNet Salary and Subsidy Scheme, as presented [Document: APFNet/Board/ENG/2016/07].*

Agenda Item 5-3 APFNet Accounting Policies

No comments were made on this document.

Decision B.02/05 *The Board approved the APFNet Accounting Policies, as presented [Document: APFNet/Board/ENG/2016/06].*

Agenda Item 6 Procedures for Selection and Appointment of the Executive Director

The Board agreed on the following wording of section II 3. Language proficiency: “Good command of oral and written English is essential and knowledge of oral and written Chinese is desirable.”

Decision B.02/06 *The Board approved the Procedures for Selection and Appointment of the Executive Director, with changes to the section on language proficiency, as noted above [Document: APFNet/Board/ENG/2016/08].*

Session 4 APFNet Project Appraisal Panel (2016-18)

Agenda Item 7 Adoption and appointment of the APFNet Project Appraisal Panel 2016-2018

At the request of the Chair, Mr. Ongprasert informed the Board that the Council endorsed the list of nominees to the Project Appraisal Panel 2016-18 [Document: APFNet/Board/ENG/2016/10] at its meeting on 10 May. He then submitted a signed copy to Mr. Zhao for the Board’s approval.

The Board recognized that the nominees held senior positions and concern was expressed about the amount of time they could devote to the tasks required. It was suggested that the requirement to occupy a position at DG level or higher be reviewed because of the need to ensure an adequate level of technical and scientific knowledge. Consideration should also be given to adding members who have diverse backgrounds, offer a wider range of expertise and can bring a regional and/or cross-sectoral perspective to the table. As well, terms of office should be staggered to foster continuity.

Following these remarks and at the Chair's invitation, the Secretariat proposed Mr. Liu Shirong as the Panel's Chair.

Decision B.02/07 *The Board approved the list of nominees to the APFNet Project Appraisal Panel for the period 2016 to 2018, as submitted by the Council Chair. It also requested the Secretariat to extend its search for new members to broaden current areas of expertise.*

Decision B.02/08 *The suggestion to ask Mr. Liu Shirong to Chair the Project Appraisal Panel was approved.*

Session 5 APFNet's way forward

Agenda Item 8 APFNet Strategic Plan 2016-2020

Dr. Mahendra Joshi, lead author of the second five-year strategic plan introduced the document [APFNet/Board/ENG/2016/11]. He explained that he met with more than 90 people to help him assess the extent to which the first five-year plan was implemented. Findings formed the basis on which he developed the current draft. In this next version, he considered it important to balance the need to provide direction yet not be too prescriptive or detailed. He also thought the structure and objectives of the new strategy should be consistent with the previous one in order to ensure continuity. Respondents to the survey expressed their appreciation for APFNet's work, especially in the area of capacity-building. They also suggested that a section on geographical coverage be added and that priorities be slightly revised. There was general agreement that forest rehabilitation was an area where APFNet could establish a niche and that it could help economies to better connect to global discussions, including those which went beyond the forest sector. One key message was that the next version not list the many required interventions to achieve sustainable forest management. Rather, it should focus on a few critical areas that other organizations and donors are not supporting. The new strategy should be used as a communications tool to inform politicians, policy makers and the public of APFNet's activities and to secure their support. Thus, the document must be short, precise and flexible to be effective in this regard. It must also be realistic, i.e., match expectations with resources available.

At the invitation of the Chair, Mr. Ongprasert informed the Board of the Council's comments on the draft strategy. Members welcomed this information and supported the suggestions made, including the urgency to finalize the document as soon as possible; the importance of keeping it focused, short and flexible, with details fleshed out in annual work plans; and the need to pursue areas where APFNet has a comparative advantage, rather than duplicate efforts now being undertaken in the region.

While the Board generally agreed with the draft strategy, Board members also discussed ways to finalize the document, including an option to establish a small team including a few members of the Board to review the document. However, due to time limitations the

Board agreed that final revisions to the strategy should not be made into an extensive exercise. It was finally agreed that further comments and suggestions from the Board be submitted directly to the Secretariat in writing for incorporation in and finalizations of the plan.

Board members encouraged the Secretariat to incorporate, during revisions of the plan, such considerations including the niche and strengths of APFNet in comparison to other similar organizations, and the strategic integration and linkage of the four activity pillars.

Board members agreed on a timeline for further comments to be submitted to the Secretariat within one week of the meeting, and for the Secretariat to circulate a final draft by end of June.

Decision B.02/09 *The Board approved, in principle, the APFNet Strategic Plan 2016-2020[Document: APFNet/Board/ENG/2016/11]. It also decided to provide additional inputs in writing which should be submitted to the Secretariat by close of business 19 May 2016. Depending on the nature and extent of comments received, attempts will be made to have a final version circulated by 30 June.*

Session 6 Date and venue of next meeting

Agenda Item 9: dates and venue of the third meeting

The Chair informed directors that Sri Lanka kindly offered to host the third meeting of both the Council and the Board in Colombo in 2017, at a date to be determined.

Decision B.02/10 *The Board welcomed Sri Lanka's invitation to host its third meeting in Colombo in 2017, following the third meeting of the Council, and requested the Secretariat to work out a convenient date.*

Agenda Item 10 Other business - branch offices

Mr. Qu informed directors that some member economies expressed an interest in hosting branch offices of APFNet as a means to enhance the quality and efficiency of project management and outcomes. Since the Secretariat's experience in this area is limited, he sought approval to conduct a feasibility study and report findings at the Board's next meeting.

Directors understood that possible expansion to other parts of the region, including South America, requires justification, a rational choice of location(s), a detailed assessment of advantages versus disadvantages, and a significant level of in-kind contributions from the potential host(s). However, they also noted that many organizations want to close branch offices because of their drain on financial and human resources. Another option might be to second staff to APFNet's partners which have offices outside China.

Decision B.02/11 *The Board authorized the Secretariat to study the feasibility of establishing branch offices in other parts of the region and to submit its findings,*

including policy and financial implications, to the Board for review at its third meeting.

Close of the meeting

Wrap up of all decisions, comments and recommendations to the Board

The facilitator provided a summary of decisions and main discussion points.

The Board adopted the decisions, as presented [Document: APFNet/Board/ENG/2016/12].

In closing the meeting, the Chair presented certificates to the four directors whose terms were renewed and one director representing China, the host economy of the APFNet Secretariat. He expressed confidence in APFNet's ability to increase its influence in the region on matters pertaining to sustainable forest management and rehabilitation. He remarked on the importance of forests to improve livelihoods, reduce poverty and mitigate climate change, among many other functions. He expressed that the contributions APFNet can make in this regard are enormous.

Mr. Zhao also reiterated the five essential elements for APFNet to realize its mission: a clear vision of the Organization's strategic direction in sustainable forest management and rehabilitation, 4 activity pillars as the essential tools, the efficient use of funding resources, strong human capacity to support the operation of the Organization and a collaborative spirit among all members of the APFNet structure – Board, Council, Project Appraisal Panel, Secretariat and partners.

Mr. Zhao committed his personal support to the Secretariat, the Council and the Board. He thanked the Forestry Administration of the Royal Government of Cambodia, the Secretariat team and all participants for their valuable assistance in making this meeting a success.

There being no further business, he called the session to a close.