

Meeting the Challenges Ahead

Countries of the region have shown their commitment to integrating environmental concerns into agriculture and forestry through their policy statements and action plans, including the EECCA Environment Strategy adopted in Kiev. Many, however, are finding it difficult to turn those commitments into action on the ground. This report has made a number of suggestions for addressing constraints and providing momentum to such implementation. **These have been summarized into ten overarching recommendations in Table 1** for consideration by the governments of the region, involving all relevant ministries, as well as NGOs, regional organizations, and the IFI and donor community.

Moving to implementation will require, first, a review of existing policy documents and action plans, as well as careful setting of priorities in a multi-stakeholder context. Priority actions can then be delineated in terms of their costs, expected benefits, institutional responsibilities, skilled staffing needs, and other factors. Early actions will likely be “win-win,” that is, they will produce economic and social benefits that outweigh their costs.

Economic evaluation needs to play a greater role in integration-related decision making. Most of the mainstreaming issues identified in this study involve damage that can be evaluated in economic terms, but such calculations may not always be easy. Difficulties in obtaining reliable data may indicate the need to strengthen monitoring systems. However, once the results of cost-benefit analyses of environmental programs and investments are available, they will compete

on an equal footing for public or private sector funds with more conventional investments aimed at increasing productivity.

The EECCA sub-region has further to go in integrating environment into agriculture and forestry but, at present, has less access to external support, especially from the EU. This was recognized at the Kiev meeting where the EECCA Strategy was adopted. To implement that strategy, EECCA will need to do more with less and focus on clear priorities. However, donors and IFIs should be prepared to expand support to those countries willing to commit to an environment integration agenda. Granting market access for environmentally certified food and forest products would be another valuable means of support.

The EU is already the main driver on mainstreaming progress in the SEE sub-region, and its grant assistance could play a catalytic role in EECCA, especially in foundation issues such as governance, awareness, capacity building, and incentives.

The World Bank and other IFIs and donors should build on the foundation with well-targeted projects, in all regional countries, scaling up successful pilots where available. Particular consideration should be given to soil conservation; pest management; reforestation and carbon sequestration; rangeland and watershed management; research and extension; food safety; and continuing the extensive ongoing work in water and salinity management. New investments should be based primarily on evaluation of past activities.

Governments should re-examine their policy instruments, including taxes, subsidies, and sup-

port services (research, extension, food safety, etc.) to ensure that their support to integration is consistent and cost-effective. The first priority should be to remove perverse incentives, such as subsidies for agro-chemicals. These public resources should be shifted to public support services necessary to facilitate integration. In nearly all regional countries, support services, particularly agricultural extension, need to be modernized and expanded to better meet the needs of private farmers.

Certification systems for food and forest products, as important drivers of sustainable management, should be encouraged and supported by governments, NGOs, and donors, as should the use of the powerful incentive of market access. Forestry certification should include chain of custody documentation. Certification, along with strong law enforcement, community management, and provision of alternative income and energy sources, are important tools in the struggle against the illegal logging that is rife in many regional countries.

Pilot projects in mainstreaming should be evaluated and their results disseminated; where warranted, their success should be scaled up to achieve national impact. Successful scaling-up involves several elements: well-documented pilot project results, in environmental, economic, and social terms; building government ownership of the innovation; dissemination of technical information and results; institution building to support a larger program; streamlining of project models to improve cost-effectiveness; and step-by-step rather than wholesale expansion.

Regional mechanisms for the exchange of experience between countries should be strengthened. For most of the issues studied, one or more regional countries has already shown some success, but mechanisms for knowledge transfer are weakly developed. New EU member states have much to share with countries following in their footsteps. Regional organizations should make this process a priority.

More opportunities should be pursued to make use of the full potential of forestry and agriculture for carbon sequestration by scaling up successful pilots, and using the negotiations for a Kyoto follow-up agreement to push for the inclusion of forest preservation and carbon sequestration in soils as ways for transition countries to benefit from carbon finance. More use should also be made of emerging innovative instruments that provide compensation for verifiable hydrological and biodiversity conservation benefits from improved resource management. Meanwhile, it is critical for EECCA and SEE countries to build awareness and capacity for the proactive integration of climate change adaptation into agricultural and forestry sector policies, programs and investments.

The potential of abandoned farmland for reforestation and carbon sequestration should be evaluated, and action programs developed. Such abandonment is an inevitable consequence of development but should be viewed not as a problem, but as an opportunity, with potential environmental, economic, and social benefits.