

Italy

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1. DOMESTIC FORESTS AND FORESTRY

1.1 Forest cover, type and tenure

Italy has the biggest range of types of forest of any country in Europe, from the Alpine forests of the north through the mainly deciduous forested hills and plains of Central Italy to the sub-tropical Mediterranean conditions of the south. One fifth of the country is mountainous, 60% hilly and only 20% consists of lowland plains.

According to the Ministry of Agriculture and Forests (*Ministero dell'Agricoltura e delle Foreste*, MAF) National Forestry Inventory, 1983–5, (MAF, 1988), forest cover in Italy amounts to 8.675 m. ha. This is made up of 6.436 m. ha of forest, (2.577 m. ha of high forest and 3.858 m. ha of coppice), together with 2.240 m. ha of other woody formations such as bush, Mediterranean scrub and so on. Broad leaf trees represent 80% of the total, and conifers 16%. Average forest cover stands at 28.8%, with averages ranging from 41.2% in the north and 23.2% in the centre to 21.3% in the South. The average forest area per inhabitant is less than 2,000 m², though it increases to nearly 8,000m² in such Alpine regions as Valle d'Aosta, Trento and Bolzano provinces. The total standing volume is nearly one billion m³, close to that of Germany (1.062 billion m³) and France (1.639 billion m³). Mature forest contains volumes of 163 m³/ha while coppice reaches 88 m³/ha. The main reason for the high standing volume is the decrease in forest utilisation in Italy since the Second World War.

However, the average productivity of Italian forests, slightly over 3 m³/ha/year, is among the lowest in the EU (MAF, 1990), well below France, Spain and Portugal whose mean annual increments stand at over 4 m³/ha/year and the UK and Germany (5.4 m³ and 5.6 m³ respectively). Only poplar plantations in the plains of the Po Valley constitute an exception to this low productivity. Here, by contrast, annual volumes of 25–35 m³/ha/year – among the highest financial internal rates of return in the EU – are produced from clones selected for disease and insect resistance. At the moment these poplars, covering about 1% of the total forest area, generate 60% of the wood produced for industry.

The contribution of the forestry sector to the national economy is marginal. In 1986 the added value of forestry represented less than one third of that of fisheries, and just 2% of that of agriculture.

Wood production has greatly decreased in the last 30 years, falling from more than 13 million m³ at the beginning of the 1950s to the present 8 million m³. In the same period the country's degree of self-sufficiency in industrial timber fell from about 60% to 17%.

Almost all forests (95%) are concentrated in mountainous and hilly areas, mostly on slopes of more than 20–25%. While it is understandable that these agriculturally marginal lands are the most likely to be forested, the terrain makes forest management costly, and offers major obstacles to the introduction of mechanisation. High management costs and low economic returns from forests, particularly coppice, have led to the present state of neglect. It is estimated that only one third of forests are under management (MAF, 1990, 1994;

Piussi, 1994).

About 66% of the total forest estate belongs to private owners, with average holdings of about 3 ha. The small patches of forest found within the farm boundary constitute, in aggregate, about 24% of total farm area in Italy. The last Agriculture Census (MAF, 1988) indicated that 843,000 farms included forest. Undoubtedly this fragmentation and the lack of specialised forest management limits the economic potential of forests.

Publicly owned forests are controlled by the State, Regions and Communes, the last-named holding almost three-quarters (73%) of the total. Many once State-owned forests have been transferred to the Regions following the regionalisation of responsibility in agriculture and forestry in the 1970s.

An important share of the total forest area is owned by community organisations. In this category can be found community forests dating back to the Middle Ages and even Pre-Roman times. Alpine community forests (such as Magnifica Comunità di Fiemme, and Regole di Cortina d'Ampezzo, etc.) are the best known and best managed.

Another institution dating back to early times is that of *'usi civici'* (traditional use rights). Though these rights are found in all kinds of forest, regardless of the form of tenure, they are commonest in publicly-owned forests, especially those belonging to communes. In Southern regions, the unregulated exercise of these use rights for grazing has had a noticeably negative impact on forest regeneration (Ciancio, 1996; Piussi, 1994).

1.2 Development of forestry

Forests began to grow back from about 8,000 BC at the end of the last glaciation period, and were colonised first by hunters and gatherers. By the fifth millennium BC, a shift to livestock raising and agriculture was under way, and both fire and shifting cultivation were making inroads into the forest and opening up fertile lands. During the Bronze and Iron Ages, woodfuel use increased as first pottery and metal-working and later glass-making became increasingly important. By the end of the Etruscan period (c.300BC) extensive deforestation in central Italy was already resulting in widespread soil erosion.

Over the course of the Roman period, Italy's landscape came completely under the control of settled populations. Agricultural land was all privately owned, while designated forest and pasture lands remained public property and were collectively used. Communal use of these lands was enshrined in usufruct rights, the *usi civici*. These were strengthened during the fifth century barbarian invasions of the Goths and Visigoths, and still exist in many areas today.

As the Roman Empire expanded, forests were further depleted by demands for ship-building timber for the fleet on which its military and trading supremacy depended, and for the fuel to support its industries. At the same time, rural social structures concentrated labour on high value-added crops such as grapes, and left the remainder of the territory for more extensive use. Since cereals were supplied by the Empire's outer provinces, extensive livestock raising was the commonest and most profitable use for the remaining lands.

From the fall of the Roman Empire until the tenth

century AD, the forest had fewer demands upon it and grew back, assisted by a favourably humid and warm climatic period. But the population and the economy began to expand again from the tenth to the fourteenth century, and lands which had been abandoned to forest and swamp were slowly brought back into cultivation. Cities developed, requiring timber and fuel for construction and energy. As forests came under renewed pressure, the first legislation for the regulation of their use was introduced.

Though both the plague and the period of hunger which followed it caused population losses in the fourteenth century, the economies of Italy's city states continued to develop, and rapidly expanding trade led to the development of a series of ports and shipyards over the next century. First Pisa and Genoa, and then Venice, Messina, Palermo, Civitavecchia, and Livorno began to make enormous demands on forests for ship-building. At their point of maximum output, it is estimated that these shipyards together needed 18,000 m³ of timber per year. The need to assure timber supplies for military ship-building prompted the implementation of forest inventories (the first was carried out by Venice in 1498) and the widespread adoption of more restrictive forest legislation. Venice's forest code was considered a model for the period, and was adopted by Austria when it decided to upgrade its Trieste shipyards.

At this period monasteries and monastic orders had an important role in reforestation, and in research on the management and utilisation of forests. The activities in this field carried out in Camaldoli and Vallombrosa from the fourteenth century onwards are well documented (Di Bérenger, 1982). During the same period, in other parts of Italy, plantations of both local and exotic species were first planted.

By the eighteenth and nineteenth centuries, free-market economic attitudes and the demands of industrial development were beginning to lead to increased rates of destruction in the forest that remained. Landlords reclaimed much land from customary-use tenants, leaving many of them with holdings too small to make a living. The latter sought additional land by cutting into marginal areas in upland forest. In the South the process was somewhat different. Here the agrarian structure had always been characterised by large private estates (*latifondo*), and by the lands and estates of the Catholic Church and the religious orders. With the unification of Italy in 1861, all these lands, estimated to cover about a third of the total area of Italy, were confiscated and sold off, with considerable subsequent deforestation.

Italy's first forest law after unification dated from 1877, and included legal restrictions designed to conserve watershed forests. These banned forest felling above the altitude to which the chestnut would grow, but allowed the use of forests below this limit. Deforestation during the period up to the turn of the century was massive. Estimates of the forest lost range from 736,000 ha to about 2 m. ha. Among the many reasons for this loss was the rapid growth of the railway system, which expanded its network from 2,100 km in 1870 to 16,000 km in 1900 and used vast quantities of timber for sleepers and bridges. The squandering of public forests on this scale ended in 1910, when a special Agency for State Forests was founded with the

responsibility of protecting and extending the forest estate by acquiring lands and reforestation. Later, in 1923, Forest Law 3267 was promulgated, which linked forest conservation to watershed protection in particular.

Reforestation became an increasingly important policy from 1920 onwards, spurred initially by the need to supply raw materials for the domestic pulp and plywood industries. Later when economic sanctions were imposed on Italy following the invasion of Ethiopia in 1935, additional planting took place to replace charcoal imports. Throughout the period from the 1920s to the Second World War, the plantation of poplars in the Po Valley and of conifers in mountain and upland regions was strongly promoted. After the war, reforestation continued but increasingly for environment protection (Di Bérenger, 1982; Ciancio, 1996; MAF, 1994; Piussi, 1994).

1.3 Forest policy and the institutional framework

Forest policy in Italy is still based on the Forest Law of 1923 which was characterised by severe restrictions on any change of use on land under mountain or upland forest. The rationale behind this policy had been the trend, marked at the time, for the expansion of agriculture at the expense of forest on marginal and fragile soils. The policy of forest protection and expansion, both to protect the environment and for industrial purposes, was managed by the Agency for State Forests. However, it was implemented by an institution known initially as the Forest Militia (*Milizia Forestale Nazionale*) and re-named the State Forestry Corps (*Corpo Forestale dello Stato*, CFS) after the Second World War. This was the institution in charge of planning, monitoring, policing, providing technical assistance, and carrying out reforestation on public and private lands (Ciancio, 1996).

However, the pressure on the uplands and on forests has steadily decreased over the last half-century, as a result of new employment opportunities in the industrial sector, of the replacement of woodfuel with fossil fuel as source of energy, and of the decline of grazing. As a result forest policy now focuses almost exclusively on the protection of the forest as an environmental asset. Forest law 431 of 1985 endorses the restrictions on change of use of forested terrain originally found only in upland areas, and extends them, again for conservation reasons, to forests and woodlands throughout the lowlands as far as the coast. These restrictions now cover 98% of forest country-wide. Only the rationale for the policy has changed. Its target is now the challenge to forests coming from their increased use for leisure and tourism, as the country has industrialised.

However, the new policy is not without its consequences for the forest and for its multitude of private owners. The negative effects of obliging farmers to maintain any forest already on their land, have been studied by Di Bérenger (1982), one of the major forest scientists of the new Italian state, who has re-examined the impacts of Venice's historical Forest Code from this perspective. It was clear that, under this code, trees on public or private land belonged to the Treasury, and

were protected by restrictive rules. Because farmers were unable to profit from any oak trees which happened to grow on their land, they regarded such trees as a negative asset and eradicated them as soon as they began to appear. It was thus no surprise that, by the beginning of the seventeenth century, only 18 of the hundreds of private oak forests registered in Friuli during the sixteenth century remained.

With a few differences, the situation has now been reproduced in the rural Italy of today, even if trees on private land now belong to the owner. It explains why Italian farmers, who have participated more enthusiastically in the EU set-aside programme (Regulation No. 1094/88) than any other Member State, setting aside 733,450 ha in the first four years alone, have nevertheless planted only a few thousand hectares with trees.

As a Ministry of Agriculture and Forests document (MAF, 1994) points out, 'due to environmental and land use restrictions, reforestation has to be an irreversible decision (for the farmer)'. The inevitable result is that, given the parallel negative incentives of restrictive legislation and the low profitability of forestry, reforestation is almost entirely left to the State.

Forestry was the responsibility of the Ministry of Agriculture and Forests¹, until the shift of responsibility for agriculture and forests to the newly formed Regions in the 1970s. The main task of the Ministry is now policy coordination, especially in the sphere of international relations, and more particularly with the EU. A Directorate of Forests is responsible for sectoral coordination within the Ministry. The State Forestry Corps, (the Forest Militia) comes under this directorate except in the case of the five Regions under special statute (Friuli Venezia Giulia, Sardegna, Sicilia, Trentino, and Valle d'Aosta) where this body comes under the Regional authority. The definition of relative responsibilities and competencies between the Ministry and Regions has not been easy. (Indeed, the Regions have held two referenda which voted to abolish the Ministry.) Operations are, however, the full responsibility of the Regions, including the application of EU rules, and the formulation, implementation and monitoring/evaluation of relevant projects for the sector.

1.4 Public perception of forestry

Forestry in Italy is relatively young, by contrast with other European countries such as France or Germany. In consequence, the ties with national forests are weaker for most citizens, apart from those who live close by or whose employment is linked to the forests. Even 'green tourism' is less developed in Italy than in some other European countries, though this attitude is changing as a result of information provided at school and through the media, and as the stresses of urban living become more evident. At the same time there is a growing interest in the protection of moist tropical forests, as the media and environmental organisations point out the threat to their survival along with their functions of climate regulation and biodiversity protection.

Over the last thirty years, but especially in the 1960s and 1970s, holiday homes and tourist resorts and infrastructure have been built in some of the most

beautiful areas in Italy. These have often been in forests and woodlands, and have resulted in environmental degradation which has offended many citizens and spurred debates in the media. Law 431 of 1985 was introduced in part in response to this situation. This makes proposals for change in national forest policy difficult. To make continued ownership of forest more attractive to farmers, there has to be some economic benefit from it. But if less stringent norms are introduced to address farmers' problems, public sentiment is likely to oppose them.

2. HISTORICAL INVOLVEMENT WITH TROPICAL FORESTRY

The colonial history of Italy is recent compared with that of many other European countries. Eritrea became the first African colony of Italy at the end of the nineteenth century (1890). Somalia (1905), Libya (1912) and Ethiopia (under Italian rule from 1936 to 1941), completed Italian colonial domains in Africa.

A policy for the protection of forest resources was set in place in Eritrea once the colonial administration was established, but it failed to address the real reasons for deforestation, namely military operations and the construction of infrastructure. Senni (1915), in his article on forest legislation in Eritrea notes that the restrictive policy was ineffectual because the administration lacked the capacity to enforce it. Furthermore, European residents represented the most serious danger to forests, yet sanctions were far more likely to be directed against indigenous people. There was ambiguity surrounding the local population's traditional user-rights over trees and the concept of public ownership, and confusion as to whether or not change of use of forested land should be allowed.

By 1910, in Eritrea, policy had been further elaborated, and different categories of forest, for different purposes, were defined. A Corps of Forest Guards was created with the functions of control, law enforcement, and supervision of reforestation operations. In particular, a policy of reforestation with exotic and high-value indigenous species was implemented, with the creation of state nurseries, incentives for the creation of private nurseries by the local population, subsidies for reforestation, and private ownership over planted trees (Guidotti, 1934). In 1937, the responsibilities of the Forest Militia were extended to Italy's colonies. This marked the definitive adoption of the metropolitan policy of direct state responsibility for the protection, development and management of forests and the establishment of a forest estate (*demanio forestale*).

The initial years of colonial rule had been characterised by studies and inventories of the existing forest species and the problems of the sector. The value of the dryland forests was seen as modest from the point of view of timber exports. Their main value was environmental, though some non-timber forest products such as incense, myrrh, and gum-arabic were of considerable economic importance. However, these forests took on new significance with the creation of Italian East Africa, and the need to produce import substitutes as a consequence of economic sanctions imposed on Italy

1. Newly re-named the Ministry of Agricultural Policies

by the League of Nations. Research trials were set in place both to test the suitability of various exotic tropical species for local conditions, and to evaluate the industrial potential of local species. The collapse of Italian colonial rule in 1941 marked the end of these programmes (Fiori, 1902–1912; Giordano, 1940; *ibid*, 1941; Senni, 1938).

Italy also has a considerable interest in tropical forests as a major importer of tropical hardwoods. Its importers, coming from mainly small and medium-sized businesses, have maintained links with African tropical timber-producing countries throughout the post-war period. Since the Italian wood industry specialises in transformation, importing raw materials and exporting final products, it has been obliged to assure its channels of supply. These importers (of particular importance in such countries as Côte d'Ivoire, Liberia, Cameroon, etc.) were instrumental in the identification and promotion to Italian consumers of African hardwoods for furniture production². Later, as policies in the tropics have shifted to limit the export of roundwood, the Italian timber industry has begun to develop local saw mills and intermediate wood industries at source.

Sadly, while French commitment to tropical forests has in part been influenced by the Michelin company's campaign in their favour, the same cannot be said of Italian industry. The hundreds of small-to-medium Italian companies with an interest in tropical forests and the countries where they are found, have no access to policy-makers and make no impact on Italian foreign policy in the sector.

3. STRUCTURE OF DEVELOPMENT ASSISTANCE DELIVERY

3.1 Organisation of the aid programme

Italy began to address the issue of development co-operation late by comparison with other European countries. The main reasons were the lack of a long colonial tradition, the country's difficult international position at the end of the Second World War (Italy joined the United Nations only in 1955), and its resulting internal economic problems, which obliged it to concentrate all its efforts on national development.

The first law on the subject of development co-operation is Law 1222 of 1971. This limited aid to the provision of services such as technical assistance, without developing a project concept for aid or undertaking any analysis of possible impacts on the recipient country. The initial provision was L.50 billion for five years.

Law 38 of 1979 established a Department for Development Co-operation (*Direzione Generale per la Cooperazione allo Sviluppo*, DGCS) within the Ministry of Foreign Affairs (*Ministero degli Affari Esteri*, MAE), with its own structure and administrative and

budgetary autonomy. The law introduced the use of grants and soft loans for project implementation, and provided a budget six times larger than the earlier one. However, its focus is on development co-operation as a tool for enhanced international commercial relations (Censis, 1993; IAI, 1994).

In 1985, following growing public concern at the disastrous effect of the 1983–4 African drought and the starvation in the Sahel which followed it, Parliament passed Law 73. This granted extraordinary powers to a State Under-Secretary charged by the MAE with the creation of a survival fund for people threatened by hunger and under-nourishment. The budget made available was L.1,900 billion to be spent in 18 months.

The impact of the concept of 'extra-ordinary aid' was mixed. On the one hand it provided a transition to a broader style of development co-operation. On the other, because it exempted relevant DGCS departments from the duty to compete with each other for funds, it allowed a lack of transparency which gradually increased until it covered almost all aid activities. Parliament passed a bill in 1995 abolishing extraordinary aid and delegating to emergency aid the task of providing immediate relief in case of disasters.

Law 49 of 1987 can be seen as the first attempt to define the goals of Italian aid. The law sees co-operation as an integral part of Italian foreign policy, fostering solidarity among peoples and the establishment of basic rights according to UN principles. Its immediate objectives can be summarised as support for the basic needs of people in developing countries, such as safety and food security, together with the promotion of more sustainable economic, social and cultural development, better mother and child health, an enhanced position for women, and the conservation of the environment (MAE, 1987).

The law makes the DGCS responsible for the implementation of co-operation programmes, either directly or through outside contracts. In this, it is assisted by the Central Technical Unit (*Unità Tecnica Centrale*, UTC) which offers support in such tasks as the identification, formulation, appraisal, implementation, monitoring and evaluation of co-operation programmes. General oversight is provided by the MAE and the Interministerial Committee for Economic Planning (*Comitato Interministeriale per la Programmazione Economica*, CIPE)³. It is headed by the Minister of Foreign Affairs, and includes Ministers from the Ministries of Planning and Finance (*Ministero del Bilancio e Tesoro*, MBT) and Foreign Commerce (*Commercio Estero*). More detailed guidelines, the approval of projects and programmes worth more than L.2 billion, and of soft loans, are the responsibility of a Steering Committee, chaired by the Minister of Foreign Affairs and composed of administrators from the same Ministries plus a representative from *Mediocredito Centrale* the financial institution responsible for the control of co-operation loans. Finally a Consultative Committee, made up of representatives from research institutions, NGOs and the Regions and who are involved in the field of Development Co-operation,

2. For instance, Italians have always regarded walnut as the hardwood of choice for furniture. Timber importers have created a considerable demand for Tanganyika Walnut, (the West African species *Lovoa trichlioides*), needless to say neither walnut nor from Tanganyika.

3. Until 1993, the functions of this Committee were carried out by the Interministerial Committee for Development Co-operation *Comitato Interministeriale per la Cooperazione allo Sviluppo*.

offers its opinions on the plans and guidelines issued by the Steering Committee, and on the yearly report presented to the Parliament.

The law specifies that developing countries receiving Italian Official Development Assistance (oda) should be given a more substantial role in helping to set priorities for co-operation. Local Technical Units (*Unità Tecnica Locale*, UTL) established within Italian Embassies are charged with negotiating and agreeing Country Programmes with recipient countries, and providing data for the identification of projects. So far, however, Country Programmes have been drawn up only for priority countries.

A new Development Co-operation law is currently in preparation. Meanwhile, the 1995 Bill has not only abolished extraordinary aid, but also set in place various measures to improve transparency and efficiency. These include compulsory use of logical frameworks, and strengthened technical, economic and financial control throughout the entire project cycle. Finally, the Bill specifies that communities (e.g. Palestinian communities within Israel), as well as States can be recipients of oda. The current structure of the DGCS is shown in Box 1.

3.2 Development assistance commitment

Official Development Assistance (oda) increased greatly during the 1980s when the total, expressed as a percentage of GNP, more than doubled. Because Italy adopted a co-operation policy comparable to those of its partner industrialised countries only late in the day, it was eager to show a commitment to its international obligations commensurate with its status and economic importance. However, it was unable to match budget increases with strengthened managerial capacity sufficiently rapidly, and this led to inefficiencies. The problem lay in the need for innovative organisational arrangements within a rigidly bureaucratic administrative structure.

Figure 1 indicates the investment for oda (bilateral, including grants, loans and food aid, and multilateral) in million US dollars per year from 1981 to 1994.

Development assistance as a percentage of GNP increased in this period from 0.19% in 1981 to 0.40% in 1986 to reach its peak in 1989 with 0.42%. It declined to 0.31% in 1993, and to as little as 0.14%, according to preliminary data, in 1995. It was predicted that oda would slightly increase to 0.16% in 1997, still far from the OECD average of 0.30%.

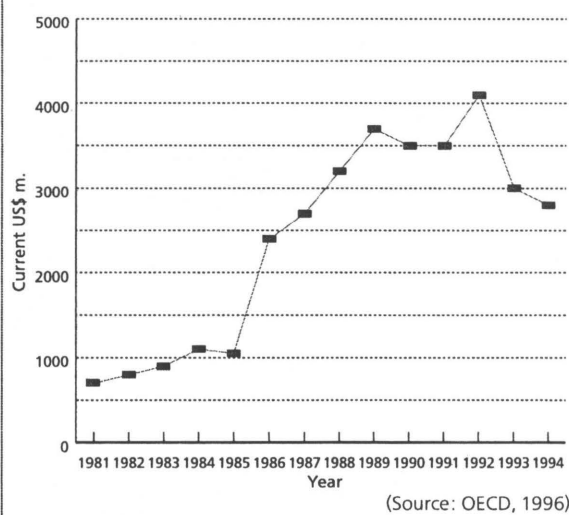
At the beginning of the 1990s Italian aid faced a number of problems, which caused its drastic decline. These stemmed in part from budgetary problems which required a rescheduling of public expenditure. But it also had to contend with public disappointment with development aid. Some of these attitudes – such as impatience with the limited impact of co-operation policy to date, and the influence of the impact of the Cold War on North-South relations were not unique to Italy. Others were more specific to the Italian situation. Above all, public disillusionment was fuelled by the Office of the Prosecutor's Enquiry, Operation 'Clean Hands' (*'Mani-pulite'*), which ran from 1992 to 1996. This enquiry investigated cases of corruption involving politicians, administrators and businessmen, and investigated development co-operation among other areas

Box 1: The Structure of DGCS

The DGCS has 19 departments with the following responsibilities:

- 1 Information, organisation of meetings and conferences;
- 2 General Affairs
- 3 Legal Affairs
- 4 Liaison with EU and International Organisations
- 5 to 10 Geographical units
- 11 NGO
- 12 Studies and proposals for the improvement of the condition of women and children and the promotion of the role of women in society
- 13 Training and co-operation with universities
- 14 Extra-ordinary Aid
- 15 Central Technical Unit
- 16 Financial co-operation/soft loans
- 17 to 19 Personnel, Finance, Administration.

Figure 1: Italian aid totals, 1981–94



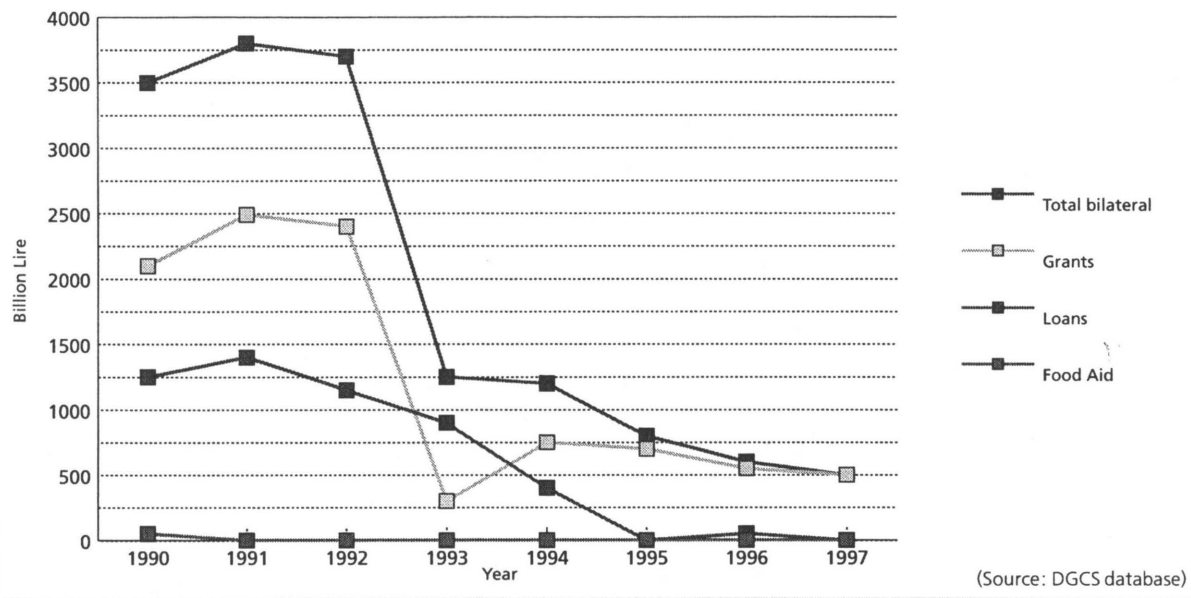
(Rhi-Sausi, 1994; Camera Dei Deputati, 1995).

The trend inversion in the 1990s is clearly illustrated in Figure 2, where spending on bilateral co-operation including loans, during the period 1990–97, is indicated in L. billion.⁴

During the period 1990–95 the percentage of the state budget managed by the MAE for development co-operation fell from 0.90% to 0.37%. The sum made available to the MAE for oda in 1997 was L.572 billion, compared with L.1,429 billion in 1993 and L.3,831 billion in 1991.

4. The DGCS database, maintained at Ministero degli Affari Esteri, is the source of most of the tabulated data in this chapter.

Figure 2: Bilateral spending, 1990–97



3.3 Personnel

The total number of personnel in the DGCS is 520. Technical divisions, in particular, are noticeably understaffed. It was specified, for instance, in the law of 1987 that the Central Technical Unit would be staffed by 120 technicians. But the maximum ever reached was only 104, and numbers today stand at only 41. It is calculated that there is a staff shortage across the board of about 15%. The budget allocated for the DGCS in 1997 was L.62.8 billion or 12% of total allocated oda resources. A particular human resource problem is posed by the fact that the DGCS is staffed by diplomats. Since, according to MAE rules, they are transferred every 4–5 years, there is never sufficient staff continuity to create a durable managerial structure.

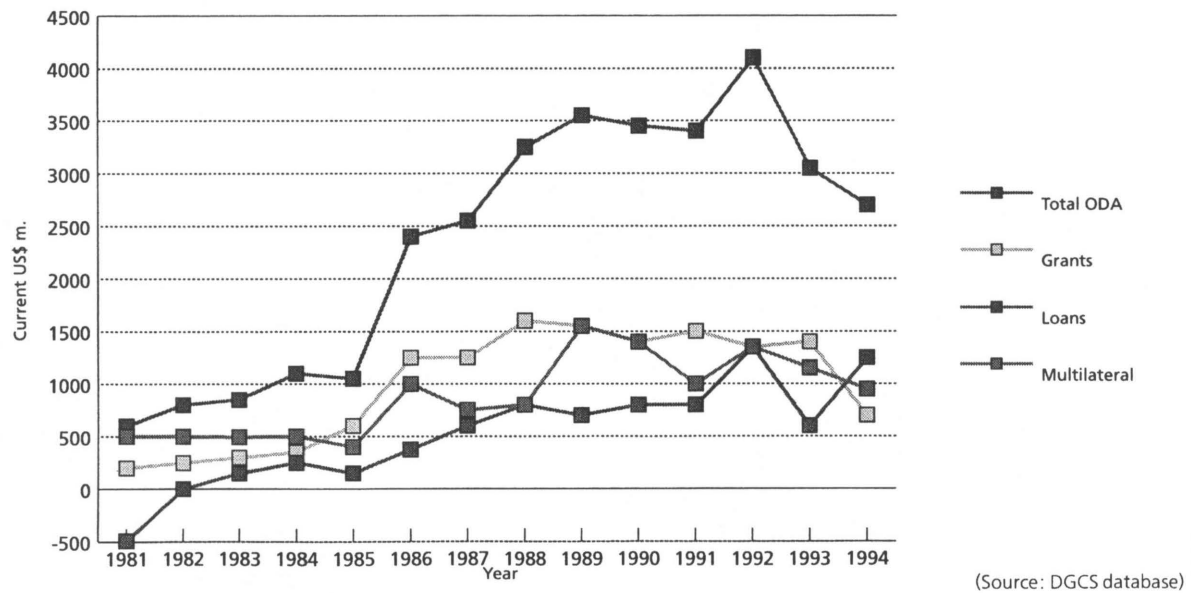
3.4 Bilateral assistance

Bilateral grants and soft loans, voluntary contributions to international organisations, and food aid all come under DGCS and are managed by their own departments within it.

Expenditure during the 1980s and early 1990s followed the trend indicated in Figure 3.

The geographical distribution of expenditure during the whole period put sub-Saharan Africa in first place, followed by the countries of the Mediterranean Basin and Near East, Latin America and Asia. However, the importance of Africa decreased over the period, the Mediterranean Basin and Near East maintained its importance, and Latin America and Asia increased their share of total oda, especially during the period when aid

Figure 3: Bilateral assistance, 1981–94



policy was increasingly shadowing Italy's own economic interests. The geographic priorities notionally set during the period were not always followed. The rate of concentration, representing the amount received by the top 25 countries as a percentage of total oda, was 65.3% in 1989-90 (MAE, 1995).

New guidelines set by the MAE in 1995 (MAE, 1995), narrow and intensify the geographical focus of co-operation activities to the following:

- the Eastern Mediterranean, where it can provide a contribution to the Middle East peace process, particularly the Israeli-Palestinian negotiations;
- the Western Mediterranean and Albania, to assist political and social stabilisation;
- the Horn of Africa and Southern Africa (SADC area) to assist the peace and reconstruction process.

Depending on available budgetary resources, aid to Latin America and Asia will focus on the development of human resources and, particularly in Asia, support for the development of local enterprises.

Since the new guidelines were put in place, the concentration of oda has increased. In 1997, the top 20 countries received about 80% of all aid. In 1995, 44% of total aid went to the lowest-income countries (with a per capita income of less than US\$ 675) and 91% went to mid-low-income countries (with a per capita income of less than US\$ 2,695).

Bilateral co-operation has mainly financed production activities and infrastructure, above all, the production of goods and services and economic infrastructure. Much support has also gone to the energy sector. Assistance to social and administrative structures has been funded at a fairly low level, compared both with other sectors of Italian oda, and with the DAC/OECD average for the social sector itself.

3.5 Multilateral assistance

Italian policy has been to support and strengthen its commitment to multilateral co-operation, and it implements this policy through both multilateral and multi-bilateral channels.

Among its multilateral activities are the following.

- (i) The European Development Fund (EDF) and the Community budget earmarked each year for co-operation with non-ACP developing countries. During the 1981-90 period these contributions corresponded to about 33% of total multilateral oda.
- (ii) International financial organisations, e.g. the World Bank group, the Regional Development Banks (African, American, Asian, Caribbean), and the International Fund for Agricultural Development (IFAD). The Italian contribution to the Global Environmental Facility (GEF) also comes under this category. These contributions amounted to about 45% of total multilateral oda during the 1981-90 period, with peaks of up to 56%. Co-ordination between these contributions and the rest of the development co-operation programme is managed by the MAE (Ministry of Foreign Affairs) and the MBT (Ministry of Planning and Finance).
- (iii) Contributions to UN organisations and other international organisations, may be compulsory,

voluntary or multi-bilateral. Contributions to these organisations represented 22% of Italian multi-lateral oda during the period 1981-90.

- Compulsory contributions are established on a multi-year basis according to quotas established by international agreements.
- Voluntary contributions are autonomously decided by donor countries.
- Multi-bilateral contributions are co-financed by the donor country and by one or more international organisations. Multi-bilateral funding gives donors the chance to earmark funds given to multilateral organisations for some of their own priorities.

Contributions to the organisations listed in (i) and (ii) above are managed directly by the Ministry of Planning and Finance. Contributions to the organisations listed in (iii) come within the development co-operation budget managed by the MAE.

In recent years, the most significant changes in development policy (apart from the overall reduction of oda), have been the setting of new geographical priorities, and the increased resources allocated to multilateral ends. The two are connected: the new geographical priority areas are selected on the basis not of trading links but of Italian international policy, while the closer links with international organisations indicates a new commitment to Italy's role in the international community.

If work with international organisations before the end of the Cold War was dictated only by the need to be present, while allowing others to formulate policies, the Italian presence now in these same institutions is seen as an opportunity to take part in the active formulation and maintenance of international relationships. Italian participation in peace keeping and emergency relief actions is also part of this same approach.

3.6 Non-Governmental Organisations

Many of the NGOs active in Italian development co-operation are volunteer-sending agencies with some link to the church. Their presence in developing countries increased in the late 1960s when Italian citizens first gained the right to opt to work as volunteers in technical assistance for the period of time they would otherwise have had to spend on military service. International NGOs such as the World Wildlife Fund (WWF) are also represented. During the 1981-90 period, the main concentration of NGO projects was to be found in Africa with 111 projects, followed by South and Central America.

The importance of NGOs in Italian aid has increased over time, and under Law 49 of 1987, NGOs are now represented on the Consultative Committee for Development Co-operation and on the NGO Commission, chaired by the General Director of the DGCS.

The funds available to NGOs grew three-fold between 1985 (US\$ 39.1 m.) and 1990 (US\$128.3 m.). In 1985 NGO projects represented 6.3% of total oda grants, and in 1990, 9.8%. Over the same period the DAC country average moved from 2.1% to 2.8%. In 1997 the total DGCS contribution to projects implemented by NGOs was due to amount to 5% of all grant

aid managed by the DGCS.

In 1981, NGO projects were financed from private sources or from their own fund-raising, while MAE and EU financing represented about 34%. This percentage increased to nearly 48% in 1985 and more than 50% in 1990. In the case of individual NGO projects, law 49 specifies that DGCS financing should be up to 70% for projects identified and promoted by the NGO itself, and 100% for DGCS projects entrusted to them.

Within Italy, one of the NGOs which has taken an environmental campaigning function in recent years is 'Italia Nostra', a cultural organisation which campaigns to protect both historical buildings and the countryside.

3.7 The Regions

Law 49 also lists Italian Regions and Local Administrations as potential actors in development co-operation. In fact only about 55% of the country has adopted regional legislation for co-operation, and activities have been modest so far.

Where regional activities have been undertaken, these have so far concentrated on information dissemination, education for development, and training and support. The objective has been to stimulate public opinion, to plan development co-operation activities at the local level, and to promote the implementation of development projects. Communes, through their National Association, are also involved in a programme aimed at decentralisation and the strengthening of local administrations for development co-operation activity.

3.8 Assisted Credit

Besides bilateral soft loans managed by the DGCS, the Ministry of Planning and Finance allocates resources to supply a Revolving Fund managed by *Mediocredito Centrale* to offer soft loans to developing country governments and Italian enterprises engaged in joint ventures with developing countries. However, the geographic area in which these credits may be used is shrinking for the following reasons:

- an agreement has been reached among OECD countries to exclude countries with a per capita income of more than US\$ 2,785 from soft-loan lending;
- many of the poorest countries cannot even afford the debt service of soft loans;
- these soft loans are tied to the use of services and goods originating in Italy. This makes it impossible to co-finance such projects as infrastructure projects with the World Bank or other international financial organisations.

In 1997 it was planned that the only countries eligible for this form of loan would be the low-medium income countries of Asia and the Mediterranean Basin (MAE, 1997).

3.9 DGCS and Consulting Companies

During the expansion of co-operation activities at the beginning of the 1980s, DGCS staff were too few for the resources they had to manage. For this reason many of the activities eventually funded were suggested by the recipient country in the absence of either a country programme or a list of agreed priorities. The country also often named the consulting firm which it had

selected to implement the activity, usually the Italian company with which there had been contacts at the project identification phase. In this way consulting firms were often in positions of considerable influence over the decisions taken by Italian co-operation, procedures were insufficiently transparent, and opportunities for corruption multiplied.

Law 49 of 1987 addressed this problem, introducing the principles of country programming and competitive bidding in awarding contracts. However, contracts by private negotiation were continued until appropriate procedures for competitive bidding could be drawn up on the basis of those in use inside Italy. As a result, competitive bids were the exception rather than the rule for co-operation projects until 1995. Companies made use of a loophole in the law which allowed private negotiation where there was an exceptional and demonstrated need for it in the recipient country. The powerful position of certain companies explains why some sectors were prioritised in the aid programme. A good example is the energy sector, where the interests of recipient countries and powerful Italian state or parastatal enterprises were well-matched.

4. DGCS DEVELOPMENT ASSISTANCE STRATEGY⁵

4.1 Background

Italy's experience in the field of tropical forestry is relatively limited for a variety of reasons, including the fact that its colonies did not include any tropical moist forest areas. No large-scale forestry sector industries emerged, therefore, during the colonial period or after. Nevertheless, the large group of small and medium-sized wood processing enterprises represents an important national asset in terms of added value and employment, even though, as previously mentioned, they have had no access to DGCS policy-making processes.

During the rapid expansion phase of the 1980s and early 1990s, the aid programme was reactive rather than pro-active, relying on requests for projects from the recipient countries, rather than on country programmes focusing on identified problems and opportunities. The agriculture and forestry sectors are usually at a disadvantage when competing with others, if requests are based not so much on real priorities as on those which appeal to politicians. Furthermore, as has been suggested, interested Italian companies were probably influential in determining the projects presented to the DGCS for funding.

As already noted, contributions to international organisations have for a long time been more a matter of respecting commitments than of using the opportunity offered by these fora to develop Italy's international policy. In these circumstances, it is hardly surprising that there was little enthusiasm for adopting the policies and guidelines formulated by these organisations.

5. The data presented in sections 4, 5, 7, 8, and 9 of this chapter are based on those available from the DGCS database, and on the results of interviews conducted within DGCS.

However, in this same period Italian development co-operation began to explore more effective ways of implementing its programme, given its shortcomings in efficiency. Through multi-bilateral co-operation, staff working in bilateral co-operation began to be exposed to proven approaches and instruments. Participation in FAO's Tropical Forestry Action Programme (TFAP) was conceived of as an occasion to involve co-operation in the formulation of programmes of agreed and prioritised forestry projects. The joint execution with FAO of social and community forestry projects exposed Italian aid to up-to-date approaches and methodologies (FAO, 1996). Co-operation with the Development Assistance Committee at the OECD and with the institutions of the World Bank allowed it to refine its instruments and guidelines.

4.2 Recent developments in DGCS strategy

In recent years, as noted above, there has been a sharp decrease in the volume of resources allocated for Italian aid, as a consequence of a reduction in public expenditure in general. Italy was the fifth largest donor in 1993, the tenth in 1995 and has probably sunk lower down the league table in 1997 (MAE, 1997; Dini, 1997).

However, this period of cutbacks could prove positive if the opportunity is seized to rationalise and improve efficiency, and this is what Italian co-operation is attempting to do. In 1995 CIPE approved the guiding principles for a new aid policy and the reform of Italian co-operation. These rationalised aid planning and spending; specified areas and countries of concentration; specified greater spending transparency and new spending procedures; and gave more importance to monitoring, evaluation and project cycle management methodologies.

The recent increase in the importance of the multi-lateral programme for Italian co-operation, is a reflection of an increased interest in the sector policies and guidelines of international organisations. DGCS is eager to adapt, and to coordinate its approaches, methods and procedures with those of relevant institutions, in particular the EU and the DAC/OECD. In this context it is not surprising that objectives and principles in the forestry sector mainly reflect those agreed at the UN's global conferences and conventions.

4.3 Forestry Strategy

The DGCS has not provided itself with a Forestry Strategy as such. Mention of the forestry sector can be found only in passing, in official Notes and documents concerning the environment, agriculture, primary health care, etc.

Italy's main exposure to changing forestry thinking and strategy has been through its collaboration with FAO on multi-bilateral projects (see section 8). The FAO-Italy Consultative Committee is a body composed of 4 senior members of DGCS and 4 FAO representatives. Their task is the monitoring and technical review of projects co-funded by the two entities under multi-bilateral arrangements (FAO, 1996).

In 1990, this body agreed that a strategic component of the multi-bilateral programme would be forestry and the environment, to be developed through projects involving the participation of local people and commu-

nities, and addressing the underlying causes of deforestation as they are linked to human poverty. There are currently about 37 multi-bilateral projects, some of which are forestry projects. Since then the multi-bilateral programme with FAO has implemented innovative approaches in the field of protection, conservation and the building of country capacity, and has in turn influenced the bilateral programme. Italy and FAO have co-operated in the formulation of some interesting recent initiatives such as the tree planting component of the Egypt Environment Action Plan; soil and water conservation in Tunisia; and a forestry programme in Albania.

Italy is also interested in the development of forestry guidelines and approaches among international organisations such as the World Bank family including the Global Environment Facility (to which it is a contributor) and the European Commission.

4.4 International influences

In spite of the fact that there is no Italian Forestry Strategy, principles agreed by international fora, such as the 1992 UNCED Conference in Rio, the Climate Change, and Biodiversity Conventions, etc., have been promptly adopted and reflected in internal Notes. A recent Note produced by the Environment Section of the Central Technical Unit (UTC) in DGCS, for instance, analysed the consistency of recently approved environmental projects with a large forestry component, in the light of the UNCED Agenda 21 guidelines.

4.5 NGOs and environmental strategies

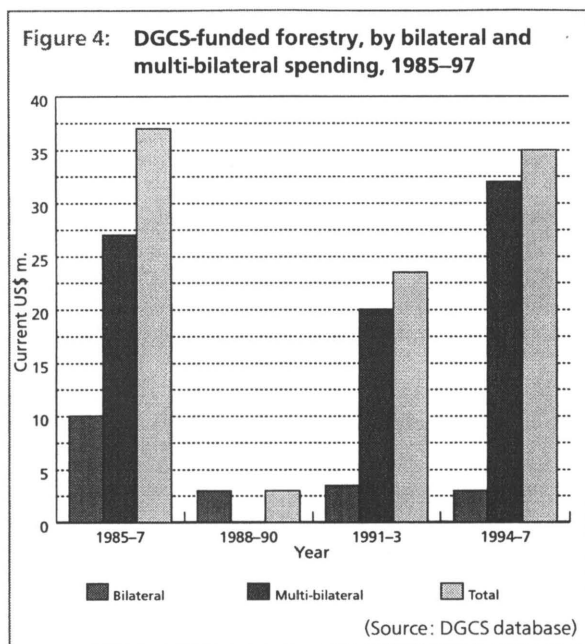
As mentioned above, there is a close relationship between DGCS and NGOs. In particular, NGOs engaged in development programmes have a representative on the Consultative Committee for Development Co-operation. Environmentalist NGOs, either Italian or international such as WWF, and based in Italy, often act to mobilise Italian co-operation by lobbying, through direct contacts and by participation in workshops on specific topics.

Their objectives are often to influence the sectoral policies of international organisations, or to counteract projects or programmes which they consider to have a potential negative effect on the environment. They also played an advisory role when principles and guidelines for environmental programmes were debated and adopted.

5 REGIONAL AND THEMATIC DISTRIBUTION OF FORESTRY PROJECTS

5.1 Introduction

Co-operation in the forestry sector has not always followed the strategies of Italy's bilateral aid in other sectors. The great importance of multi-bilateral aid in the forestry programme – the result at least in part of the presence of FAO in Italy – has allowed a more flexible distribution of resources to contingent priority areas. For instance, most forestry projects have been directed to the poorest sub-Saharan African countries while, in the same period, an increasing number of



bilateral projects in other sectors were focused on lower and upper middle-income countries in Latin America. Italian participation in global and inter-regional forestry programmes such as FAO's 'Forest, Trees and People' Programme, TFAP and the Global Forest Resource Assessment programme, has also had the same effect.

The process of change since 1985 in the tropical forestry sector has been accelerated by the multi-bilateral programme as well. Most of the projects implemented with the FAO Forestry Department have conservation and sustainable forest management using participatory approaches as their objectives.

Since it was decided in 1995 that development co-operation policy should support Italian foreign policy, and should concentrate on a restricted number of priority countries selected for their strategic and humanitarian importance, bilateral and the multi-bilateral strategies should now draw closer.

Italian forestry aid amounted to US\$ 97.17 m. during the period 1985–97. During 1985–94, the only period

for which comparable data are available, this represents a mere 0.25% of total Italian oda. However, the figure includes only pure forestry projects. In reality there are, for instance, important forestry components in integrated rural development projects, often based on soil and natural resource protection. Conservatively estimating a 30% forestry component in IRDPs and adding this to forestry aid, it becomes clear that about 83% of DGCS forestry expenditure goes on pure forestry projects and a further 17% within IRDPs (DGCS Data Base and FAO, 1996). Other forestry components can be found in environment, watershed management, and food security projects, but they are not presented as such in DGCS statistics.

5.2 Bilateral and multi-bilateral programmes

As already mentioned, the FAO-Italy Consultative Committee agreed in 1990 to give priority to environmental projects, especially those in the forestry sector, to be implemented in such a way as to ensure local participation in all aspects of the project cycle. The result was the large importance that the multi-bilateral programme now assumes in the forestry sector. The total oda in the sector in 1995–6 was more than US\$ 97 m., of which 82% was spent multi-bilaterally, and 18% bilaterally (DGCS Database and FAO, 1996).

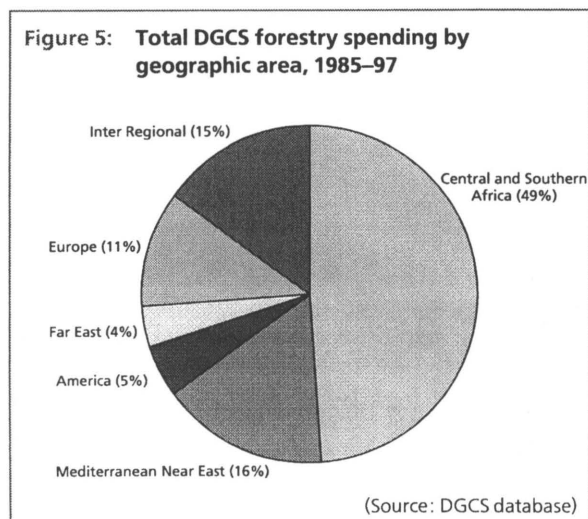
As shown in Figure 4, the multi-bilateral programme has steadily increased in importance from 1990 onwards. Before this date, projects were arbitrarily selected and often the result of individual initiatives. An example of this is the large wood processing training centre established for the SADC countries.

5.3 Regional distribution

The regional focus of Italian co-operation has always been mainly on Africa, even if changes in policy have shifted the relative weighting of each region over time. Large special relief programmes for natural or man-made disasters in Africa have had strong support from Italian public opinion.

Figure 5 shows the distribution of forestry aid, bilateral and multi-bilateral, during the period 1985–97. Assistance to countries in Central and Southern Africa represents nearly half of the total, while the Far East and Central and South America, with about 5% each, are of marginal importance. However there is a large inter-regional component including projects and programmes with field locations in many countries and regions, so the total actual weighting is a little different from that indicated.

If we consider the distribution of forestry aid over the 13 year period 1985–97 (Figure 6), we find a complex picture. The level of aid decreased after 1985–87, and has only recently recovered to a similar level.⁶ Africa is no longer the main destination for funds. The Mediterranean-Near East area has increased in line with Regional policy, and part of the aid has been directed to East European countries to support the transition to a market economy.



6. The 1994–7 period is a four year period, while the previous periods are each of three years.

5.4 Thematic distribution

Figure 7 attempts to indicate the nature of the forestry projects which come under DGCS. The division is merely indicative, since projects are now much more multidisciplinary and integrated, and it is common for them to include afforestation, sustainable forest management, research and development activities in the field of social forestry, country capacity building, etc. Community forestry projects all have in common a strategy centred on local people's development and their involvement in implementation, but forestry objectives may vary. Afforestation projects are more generally conducted by the forestry administration and do not necessarily involve local people.

Observing the development of forestry funding during the 1985-97 period (in Figure 8), a sustained increase of projects targeted towards both community development and forests can be identified, in line with the recent trends in international forestry aid referred to by the FAO/Italy Consultative Committee (FAO, 1996).

The drastic drop in oda funds for commercial forestry is a result of changing Italian forestry co-operation strategies. In the past, a few large projects of this kind were funded, often more as a result of a conjunction of interests between recipient countries and Italian companies than because of any explicit aid strategy.

Research projects as such have not been funded since 1990. However, there are still a few applied research components in some community forestry projects.

5.5 Distribution of NGO projects

NGO-implemented forestry projects are funded out of the bilateral budget, 22% of the budget being disbursed through them. NGO projects concentrate on social forestry and biodiversity protection, and NGOs are felt to be well suited to carry out projects in these fields. Indeed, since these topics are among Italian forestry aid's main priorities, the NGO share of funding for them would be even larger if more of them had specific experience in these fields. NGO-implemented forestry projects mainly concentrate in Central and South America (69%), and represent the bulk of Italian aid in the sector there. The remaining 31% is spent in sub-Saharan Africa.

Figure 6: Changes in the regional balance of DGCS forestry spending, 1985-97

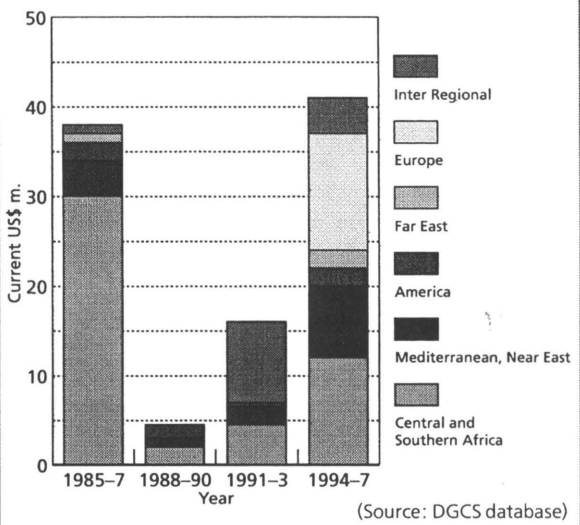


Figure 7: Total DGCS forestry spending by thematic area, 1985-97

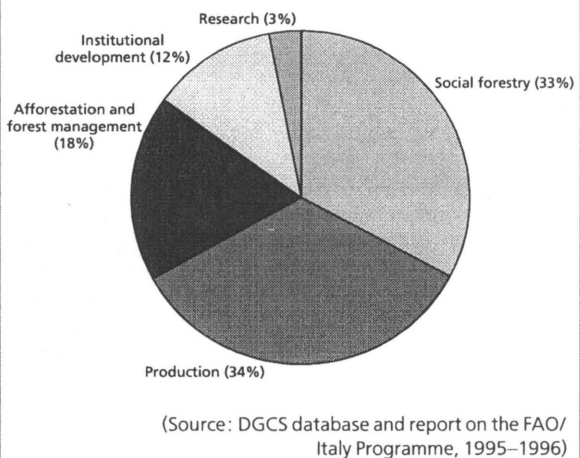
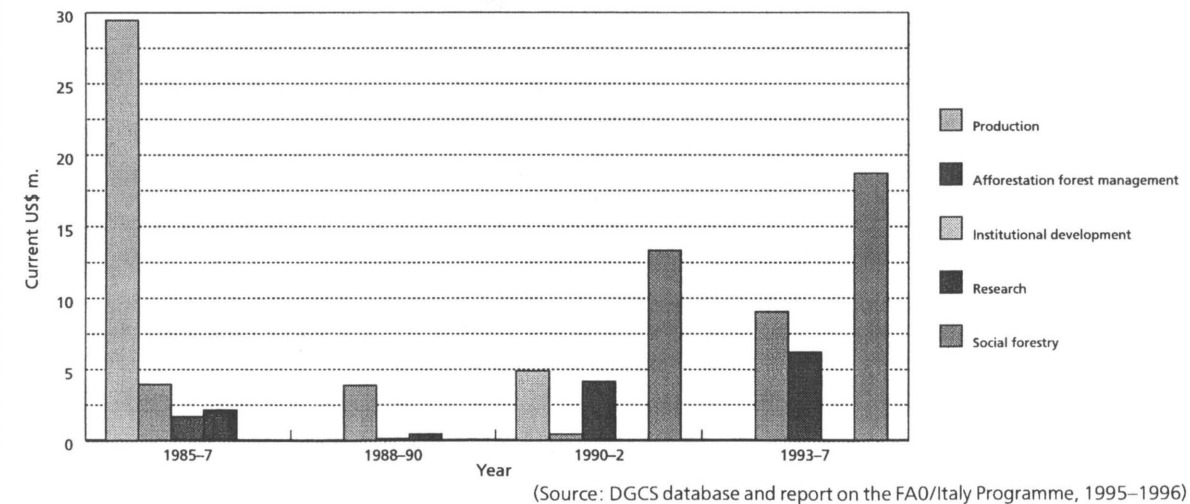


Figure 8: Changes in the thematic balance of DGCS forestry spending, 1985-97



6. TROPICAL FORESTRY RESEARCH AND TRAINING⁷

The *Istituto Agronomico per l'Oltremare* (Overseas Agronomy Institute, IAO) was established in Florence in 1912 to support agriculture and forest management activities in the colonies. It still plays the same role for the Italian co-operation programme, and is not a part of the university system.

No comparative synthesis has been made of tropical forestry research undertaken during the colonial period in Eritrea, Somalia, Libya and Ethiopia. It lies scattered in university archives. However, a colonial herbarium was established in Florence, and research was undertaken on dryland tree species and medicinal plants. Forest inventories and trials were also conducted in all four countries. Additionally, in Libya, research was undertaken on the planting of shelterbelts, and on sand-dune fixation. This research is now, of course, well over fifty years old, and some has been lost.

The Silviculture Research Institute (*Istituto Sperimentale per la Selvicoltura*) was established at the University of Florence in 1922, initially for Italian and Mediterranean forestry research⁸ and later for tropical forestry research as well. After the Second World War a forestry teaching faculty was established with a postgraduate course in tropical and sub-tropical agriculture, which included some tropical forestry. Tropical activities concentrated mainly on Tunisia, Algeria, and Morocco.

Until 1960, only the University of Florence had a forestry faculty, Arezzo, Padua and Viterbo following in the 1960s. After Regionalisation in the 1970s (and the devolution of responsibility for agriculture and forests) each Region wanted its own university. Forestry departments were created in the Universities of Bari, Bologna, Palermo, Reggio Calabria, Sardinia, Torino and Trieste.⁹

The Ministry of Foreign Affairs began to give some support to tropical forestry projects from the 1960s onwards. However, the projects were often selected geographically on the basis of current interests and policies rather than the areas in which Italy had particular competence. The projects selected did, however, sometimes prioritise wood technology, in which Italy has a comparative advantage. For instance, the *Istituto per la Ricerca sul Legno* (Wood Research Institute) in Florence, which is part of the National Council for Research (*Consiglio Nazionale delle Ricerche*, CNR) has conducted research on wood technology, woodfuel including improved techniques for charcoal production in semi-arid countries and harvesting techniques, in West Africa, South-east Asia and Latin America. Similarly, the Poplar Research

Institute, and the Centre for Forestry and Agriculture Research in Casaleto, near Milan, which both come under the parastatal SAF (*Società Agricola Forestale*), have undertaken highly successful research financed by Italian Co-operation to introduce Italian poplars to China, Latin America (Argentina and Chile) and Turkey.

While the Mediterranean, North Africa and the Near East have probably remained the main area of comparative advantage for Italian forestry researchers, there is also experience (above all at Florence) in West and Central Africa and the SADC countries, Amazonia, Brazil and the Andean region, and the Indian sub-continent and South-east Asia. So far, however, Italian institutional coordination with international research centres such as CIFOR and ICRAF has been practically non-existent.

The State Forestry Corps are trained at the Italian Academy of Forest Science (*Accademia Italiana de Scienze Forestali*) in Florence – an Army College originally. Italian institutions have also provided training for technicians from developing countries. The universities of Padua and Florence have run training programmes in Somalia and Mozambique. The Institute for Wood Technology at San Michele all'Adige (Trento), another CNR institute, has conducted training for technicians from Latin America. Private institutions have also been involved in training. CEFAS, an institute managed by the Chamber of Commerce in Viterbo, ran training courses for students from developing countries until 1995. SCM, a leading wood processing company, organises training courses for technicians from developing countries.

7. PROJECT CYCLE MANAGEMENT

Project cycle management methods using logical frameworks (objectives-oriented project planning) were adopted in principle by Italian co-operation in 1995. The methodology selected was based on that of DG VIII in the European Commission, and the DGCS has commissioned the preparation of manuals. A series of courses have been conducted, both in the Central Technical Unit in Rome, and in Local Technical Units in Italian embassies in developing countries, to train DGCS personnel in the application of the method.

While Country Programme documents will still be vital for project identification and selection, logical frameworks will give projects clearer goals. So far, however, these project cycle management methods have not been widely applied in the aid programme. The delay has been caused by plans for the restructuring of official development co-operation, which will re-assign responsibilities among the main actors in the DGCS.

8. THE INFLUENCE OF ITALY'S MULTI-BILATERAL EXPERIENCE IN COLLABORATION WITH FAO, ON ITS BILATERAL FORESTRY PROGRAMME

DGCS staff recognise that Italian funding in the forestry sector has achieved some interesting results, which should now be analysed in a systematic way. It would

7. There is no easy way of characterising all the tropical forestry research undertaken by Italian institutions. The following brief summary is based on personal interviews with Professor Riccardo Morandini (Universities of Florence and Arezzo), and individuals in DGCS, the Ministry of Agriculture and Forests and FAO. The Italian entries in the European Tropical Forestry Research Network (ETFRN) Directory for 1996 were also consulted.

8. The headquarters of the pan-Mediterranean working group 'Silva Mediterranea' was established there in that year.

9. There are now too many foresters – 200–300 a year – being produced in Italy.

Box 2: The influence of Italy's multi-bilateral experience in collaboration with FAO, on its bilateral forestry programme

Projects and programmes implemented by Italy with FAO's Forestry Department since the early 1990s have been characterised in approach by:

- community participation;
- the harmonisation of the interests of different actors through dialogue, and a common engagement in seeking appropriate solutions;
- strengthening of local administrations in the planning and implementation of projects and programmes.

This took place through the use of methodologies and tools favouring people's participation, including improved information-sharing, and the provision of relevant training.

Italy has participated in a variety of initiatives using these methods. In the Mediterranean and Near East regions, projects have worked out an approach for sustainable forest management by finding a compromise between the different interests of government and local communities. In the southern Sahara, the protection and use of forest for food security were similarly negotiated through participatory approaches. Italy has also had a role in global programs, such as those for the Participatory Management of Natural Resources in the Uplands; the strengthening of local administration in decentralised planning and local

community participation within the context of National Forest Action Plans (NFAPs); and in various pilot projects in Africa, Asia and Latin America.

Lessons learned there were later applied to Italy's bilateral programs. Italian assistance to the tree-planting component of the Egyptian Environmental Plan was influenced by lessons learned in developing NFAP methodologies, and the approach was shifted from the originally-proposed state implemented top-down approach to a more community-based one.

A large soil conservation project in Tunisia, which ran into implementation problems because of conflicts between government and local communities over natural resource management, was reformulated using methods developed within FAO/Italy multi-bilateral projects: notably the Participatory Upland Management project and the Forestry and Food Security in the Mediterranean and Near East project.

Italian co-operation is also using methodologies and operational guidelines developed by the FAO/Italy programme, within its large programme of assistance to Albania's Forestry Sector, which needs reformulated objectives and priorities to keep pace with social and economic change there.

be useful to present results in international fora where they could be debated and confronted with other methods and approaches, refined, and used to shape future interventions in the sector. However, this task still lies in the future.

Instead Box 2 reviews the ways in which Italy's multi-bilateral experience in collaboration with FAO has helped to shape the thinking in its bilateral programme.

9. CONCLUSIONS

Italian co-operation developed late compared to the majority of OECD countries and grew too quickly in the initial period without equipping itself with the necessary organisational and administrative structure to face its increased commitments.

Italian tropical forestry co-operation had other problems when it started.

- The history of colonial Italian tropical forestry had been short, and had not included valuable forest areas which might have given forestry an economic importance nationally.
- The timber importers engaged in furniture production had little political influence with the Italian government, which therefore never considered the sector a strategic one.
- Research was diffuse and Italian comparative advantage initially unclear.

In these circumstances, policy-makers hesitated to engage in a sector in which they were not sure whether Italy could provide the necessary capacities and technologies.

Earlier co-operation agreements with recipient countries often included an arbitrary selection of projects, in countries selected for unclear geographic priorities,

rather than an analysis grounded in country priorities and oda policies. As a result, a large part of the funds available went to sectors of interest to local politicians and powerful Italian industrial groups, sowing the seeds for what would become a national scandal and a major problem for Italian co-operation.

In this situation, the forestry sector had no chance to emerge as a priority, except in the case of a few projects supported by NGOs and scientific organisations. Italian co-operation has chosen instead to implement most of its tropical forestry programme through the multi-bilateral channel, gaining experience and participating in progressive development and protection experiences in the field at the same time.

Meanwhile, co-operation policy has been changing. Taking stock of previous experience, reforms have been introduced, and the process is not yet finished. Resources have decreased, as a result of reductions in public expenditure, and this represents a good opportunity to improve efficiency. The new form of Italian co-operation which has emerged is now closer to international standards, as a result of the choice to give more emphasis to active participation in international organisations, and to enhanced co-ordination with other development agencies in international fora.

For all these reasons policies will be much more in line with those of Italy's closest partners, above all those in the EU, at the end of the ongoing process of reform. In due course, and from this new standpoint, Italy will be able to plan its contributions to international debates on tropical forestry policies and processes.

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ACRONYMS

ACP	African Caribbean and Pacific
Censis	Centro Studi Investimenti Sociali (The Centre for Studies in Social Investment)
CeSPI	Centro Studi di Politica Internazionale (The Centre for Studies in International Politics)
CFS	Corpo Forestale dello Stato (State Forestry Corps)
CIFOR	Center for International Forestry Research
CIPE	Comitato Interministeriale per la Programmazione Economica (Interministerial Committee for Economic Planning)
CNR	Consiglio Nazionale delle Ricerche (National Council for Research)
DAC	Development Assistance Committee
DGCS	Direzione Generale per la Cooperazione allo Sviluppo (Department for Development Co-operation)
EDF	European Development Fund
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
GNP	Gross National Product
IAI	Istituto Affari Internazionali (The International Affairs Institute)
IAO	Istituto Agronomico per l'Oltremare (Overseas Agronomy Institute)
ICRAF	International Center for Research in Agro-Forestry
IFAD	International Fund for Agricultural Development
IRDIP	Integrated Rural Development Project
L.	Italian lira
MAE	Ministero degli Affari Esteri (Ministry of Foreign Affairs)
MAF	Ministero dell'Agricoltura e delle Foreste (Ministry of Agriculture and Forests)
MBT	Ministero del Bilancio e Tesoro (Ministry of Planning and Finance)
NGO	Non-Governmental Organisation
oda	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
SADC	Southern Africa Development Conference
TFAP	Tropical Forestry Action Programme
UN	United Nations
UNCED	United Nations Conference on Environment and Development
UTC	Unità Tecnica Centrale (Central Technical Unit)
UTL	Unità Tecnica Locale (Local Technical Unit)
WWF	World Wildlife Fund

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Luxembourg

Vincent Glaesener and Kathrin Schreckenber

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1. TEMPERATE FORESTRY IN LUXEMBOURG

1.1 Forest cover, type and tenure

The Grand Duchy of Luxembourg has a forest cover of 33% (or 88,600 ha), making it one of the most forested countries within the European Union (Direction des Eaux et Forêts, 1996). Unlike some of its neighbours, the country has always maintained a high degree of forest cover, leading to its being called the 'Département des Forêts' during the French occupation from 1795 to 1814. Forest cover has never fallen below the 31% experienced in 1865 (Ministère de L'Environnement, 1994).

About 46% of the forest is made up of deciduous stands (60% beech and 30% oak) which are predominantly situated in the south. Evergreen stands (80% spruce and 6% Douglas fir) make up another 36% of forest cover and are located mainly in the north. The area of coppice is declining and currently stands at 15%, with the remaining 3% of forest land classified as non-wooded. Current forest management aims to achieve a more balanced age structure, in particular to resolve the problem of Luxembourg's aging beech stands.

Of the total forest area, 53% is owned by approximately 13,000 private owners (with an average of 3.7 ha each), of whom over 9,000 own less than 2 ha. The remaining 47% of forest is in public hands, with 74% classified as communal forests, 23% state-owned and 3% owned by public institutions (Parlement Européen, 1994; Direction des Eaux et Forêts, 1996).

1.2 Forest institutions

Public forests are managed by the 'Administration des Eaux et Forêts', which is controlled by the Ministry of the Environment and financially supervised by the Ministry of Agriculture. The Administration is staffed by about 20 senior foresters, 85 forest guards and 35 administrative staff, some of whom are based in six decentralised 'cantonnements', which are further subdivided into 58 'triages'. In addition to managing public forests, the Administration's staff are responsible for providing advice to private forest owners (including provision of state subsidies) and enforcing legislation, and may also carry out silvicultural interventions where requested. A 'Groupement des Sylviculteurs' represents the interests of private forest owners.

1.3 Role of forestry in the Luxembourg economy

The forest's ecological and social functions are accorded great importance in Luxembourg. The role of the forest industry in the national economy is minor, however, with the products from private and public forests together contributing only 0.1 – 0.2% of GNP (STATEC, no date). Between 1966 and 1996, the number of sawmills – mostly small family enterprises – declined from 180 to 15 and now process conifers almost exclusively.

Luxembourg is unusual within Europe in that it consumes only about 120,000m³ of its own production while about 200,000m³ are exported, primarily to

Belgium and Germany (Direction des Eaux et Forêts, 1996). In 1992 total production was 325,000m³, compared with imports of 445,000m³ and exports or re-exports of 580,000m³ (Office of Statistics, unpublished data). Overall the timber industry in Luxembourg is characterised by weak processing capacity which leads to the export of unprocessed timber and a dependence on imports for finished products (Parlement Européen, 1994). The balance of accounts of public forests is negative.

2. HISTORY OF INVOLVEMENT IN TROPICAL FORESTRY

Luxembourg's involvement in development is fairly recent compared to that of some of its neighbours. The country's small size, relatively recent independence (1867), and lack of colonial past have meant that it has no history of involvement in tropical forestry.

3. STRUCTURE OF AID DELIVERY

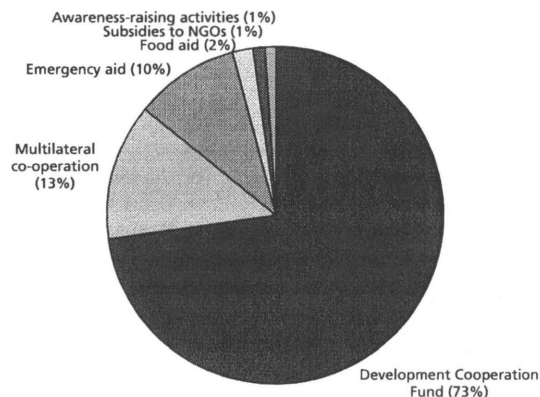
3.1 The Ministry of Foreign Affairs, External Trade and Co-operation

The Ministry of Foreign Affairs, External Trade and Co-operation (*Ministère des Affaires Etrangères, du Commerce Extérieur et de la Coopération*, MAE) is responsible for 82% of public sector aid, with the remainder being managed by a number of other ministries, in particular the Ministry of Finance (8%) and the Ministry of National Education (9%). Within the Ministry of Foreign Affairs aid is managed by an independent Co-operation Department (*Service de la Coopération*) which has a staff of about 8 people (MAE, 1995b).

In 1996 public aid managed by the Ministry of Foreign Affairs amounted to about LUF 2,000 m. distributed among six sectors (Figure 1).

As can be seen in Figure 1, the Development Co-operation Fund (*Fonds de la Coopération au Développement*, FCD) represents just over 70% of the Ministry's aid budget (and about 60% of total public aid). Unlike other government budgets, funds in the

Figure 1: Distribution of aid managed by the Ministry of Foreign Affairs, 1996



(Source: data provided by MAE, 1996)

FCD are not subject to the government's annual budgeting exercise but can be disbursed over several years, thus allowing for greater flexibility in the financial management of longer term projects and programmes (MAE, 1995b). In 1996 the FCD had a budget of LUF 1,400 m., which was distributed as shown in Figure 2.

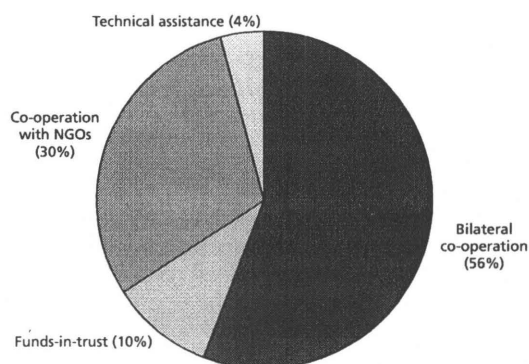
3.2 Bilateral co-operation

An initial lack of domestic capacity for managing development projects meant that most of Luxembourg's aid in the early 1990s was channelled through multilateral organisations. Recently this situation has been reversed, with the volume of bilateral co-operation rising by over 40% between 1994 and 1995 alone. It is now the most important instrument of Luxembourg's development co-operation, representing about 40% of total official development assistance (oda) in 1996. Of this bilateral co-operation, 80% is implemented by a private company, Lux-Development, with the remainder being managed directly by the Ministry's Co-operation Department.

Created in 1978 to promote Luxembourg's exports and to develop co-operation with other countries, Lux-Development was restructured in 1993 to become the principal implementing agency for the bilateral co-operation programme under the mandate and control of the Ministry. Its permanent staff consists of only nine professionals but is complemented as necessary by external collaborators and freelance consultants. Technical experts and staff of development projects are recruited primarily within partner countries (Lux-Development, no date).

The terms of bilateral co-operation are fixed in bilateral accords either on a project by project basis, or in general co-operation agreements with a view to long-term programmes with target countries (see section 4). In line with recommendations by the OECD's Development Assistance Committee, most FCD funding consists of grants to the government of the beneficiary country. Unlike many other countries, Luxembourg does not give any tied aid but has a clear separation between development aid and the promotion of external trade (MAE, 1995b).

Figure 2: Distribution of Development Co-operation Fund, 1996



(Source: data provided by MAE, 1996)

3.3 Multilateral co-operation and funds-in-trust

Multilateral commitments accounted for about LUF 505 m. (or 27% of total oda) in 1995 (MAE, 1995b). Of this the majority (72%) went to the European Union with LUF 127 m. earmarked for the 7th European Development Fund and LUF 236 m. for the general development co-operation budget of the European Union (MAE, 1995b). Various United Nations organisations, in particular the World Health Organisation and the United Nations Development Fund (UNDP), receive most of the remainder of multilateral commitments.

In addition to these contributions to the general budgets of multilateral organisations, Luxembourg also makes funds-in-trust contributions to specific projects and programmes. These are made from the FCD, accounting for 10% of this Fund in 1996, and are targeted at a number of international organisations with UNDP and the World Health Organisation being among the major recipients.

3.4 Co-operation with non-governmental organisations

Non-governmental organisations (NGOs) are an important instrument of Luxembourg's development co-operation. Their projects are financed with private funds and through co-financing arrangements with the Ministry of Foreign Affairs. In 1996 the Ministry officially recognised 68 NGOs (all based in Luxembourg) for such co-financing arrangements. Prior to 1996, the Ministry contributed an additional 100% (and in some cases even 200%) of the NGO's project costs. The new Development Co-operation law of January 1996, however, raised the government's contribution to up to 300% of the NGO's contribution for those projects implemented in target countries¹ (with a ceiling of LUF 12 m. per project) (MAE, 1995a). In 1996 the Ministry agreed to co-finance about 200 NGO projects (from 250 proposals) to the tune of LUF 400 m. or 30% of the FCD. This is a marked increase on previous years, with only LUF 217 m. being devoted to NGO co-financing in 1994. The increase is accounted for partly by the larger average size of individual project costs being covered by the government. The Ministry also provides donations and subsidies to NGOs. These are not paid from the FCD, however, and are relatively modest sums (1% of oda).

3.5 Technical assistance

In addition to funding projects, the Ministry also spends about 4% (LUF 45 m. in 1995) of the FCD on technical assistance. This includes training young development professionals as Junior Programme Officers in UNDP and the European Commission, and sending experts (particularly teachers) and volunteers to work in partner countries. It also covers the participation of developing country nationals in short training courses in Luxembourg.

1. See section 4.1.2 for a list of target countries.

4. TROPICAL FORESTRY DEVELOPMENT POLICIES

4.1 General development co-operation policies

Luxembourg's co-operation activities date back to the 1980s when the first law relating to development aid was passed (1982) and a budget line established (1985). Development aid based on co-operation agreements with partner governments, however, was only launched after the Grand Duchy joined the OECD's Development Assistance Committee in 1992. A new law on Development Co-operation, prepared in consultation with NGOs, came into force in January 1996, replacing all earlier laws.

4.1.1 Volume of funding

Since 1986, the Grand Duchy has experienced an almost explosive expansion of its official development assistance. From a modest LUF 221 m. in 1986 it has increased more than ten-fold to reach LUF 2,400 m. in 1996, equivalent to 0.45% of GNP. Unlike most other countries which have reduced or frozen their development aid contributions, Luxembourg's aid budget is increasing and is expected to reach 0.7% of GNP by the year 2000 (see Figure 3). The fact that the aid budget is determined independently of the overall budget of the Ministry suggests that this figure is likely to be achieved. Development aid has now become one of the country's most important budget items.

4.1.2 Regional focus

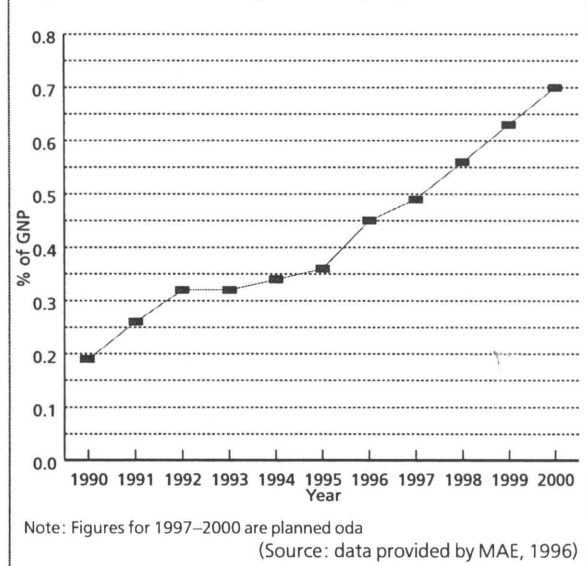
Until 1988 most Luxembourg aid was channelled through multilateral organisations. The great increase in bilateral aid since 1993, however, has allowed for greater control of the distribution of funds. In 1996 the FCD provided funds for about 80 countries, mostly through projects co-financed with NGOs. As can be seen from Figure 4 the majority of this aid was destined for Africa.

In 1993 the OECD's Development Assistance Committee remarked upon the wide distribution of Luxembourg's oda and advised a greater regional concentration of efforts. Following this recommendation the Ministry of Foreign Affairs introduced a system of target countries in 1993. This policy prioritises the least advanced countries of sub-Saharan Africa and also takes account of the following criteria:

- stability of the political situation and respect of democratic principles;
- modest size of the country or region concerned, in proportion to the size and means of the Grand Duchy;
- UNDP human development indicators;
- Francophone nature.

The final decision about which countries are included on the list of target countries is made by the Minister of Foreign Affairs with parliamentary approval. In 1996, eleven countries were included on the list and shared about 30% of oda: Burundi, Cape Verde, Mauritius, Namibia, Niger, Senegal, Tunisia, El Salvador, Ecuador, Nicaragua and Vietnam. The main reason for the continued wide distribution of aid is the broad

Figure 3: Luxembourg oda as a proportion of GNP

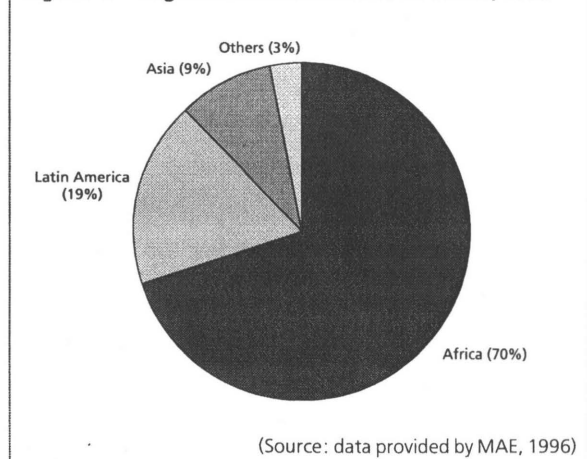


geographical distribution of projects co-funded with NGOs. The government is trying to influence the regional distribution of NGO projects by increasing subsidies for projects in target countries to a maximum of 300% (of the NGO contribution) relative to the 200% available for projects in non-target countries (MAE, 1995b).

4.1.3 Sectoral distribution

An interministerial committee on development co-operation exists to advise on the overall priorities of development policies. Aid is provided in all the sectors considered to be a priority for development in the Third World. A particular emphasis is placed on the social and health sectors, integrated rural development, small and medium-scale infrastructure, and human resources development (MAE, 1995b). Participation of local populations especially women, as well as local employment-creation initiatives, are particularly encouraged (MAE, 1995b). There is no estimate of the volume of funds allocated to the environment (including agriculture and forestry) as most projects integrate a range of different activities.

Figure 4: Regional distribution of FCD funds, 1996



4.1.4 Project size and duration

The average length of projects funded by the Ministry of Foreign Affairs is 1–4 years. There is no ceiling on the financial volume of bilateral projects, but they must be in line with the scale of aid provided by a state as small as Luxembourg. For this reason, projects of a larger scale are usually financed through contributions to international organisations or as bilateral contributions in association with other donors. This also applies to Luxembourg NGOs, which are generally small-scale institutions with only modest means. They therefore prefer limited and localised actions.

4.2 Co-operation in the tropical forestry sector

Projects focusing purely on forestry tend to be fairly large-scale and require long-term support in order to ensure positive results. The funding volumes required for such projects are not in line with the scale of Luxembourg's development co-operation budget. In its bilateral projects the Ministry of Foreign Affairs therefore usually only funds forestry as a component of multi-sectoral integrated projects.

The same is true for NGOs, which prefer to fund shorter term activities in the social sector. Any interventions in the forestry sector are generally part of integrated projects or carried out in conjunction with other Luxembourg or foreign NGOs.

The fact that any forestry activities tend to be components of other projects makes it very difficult to estimate the total amount of funding devoted to tropical forestry.

4.2.1 International negotiations

The Ministry of Environment deals with domestic climate, water and air quality issues and is therefore responsible for follow-up to the United Nations Conference on Environment and Development and any discussions relating to the Climate and Biodiversity Conventions. Follow-up to the Intergovernmental Panel on Forests process is in the hands of the Forest Administration.

5. THEMATIC AND REGIONAL DISTRIBUTION OF FORESTRY PROJECTS

Currently the Ministry (through Lux-Development) funds only one forestry project in the Okavango Forest of Namibia (see section 8). In recent years a number of NGO projects have incorporated forestry activities. These include eight projects with agroforestry components in Burkina Faso (*Chrétien pour le Sahel*); reforestation and forest management training in the High Plateaux of Ethiopia (Caritas); reforestation and joint forest management activities in Ahmedabad, India (*Aide à l'enfance de l'Inde*); the establishment of agroforestry and silvopastoral systems, and the training of community leaders in the Maras region of Peru (*Eng Bréck mat Latäinamerika*); and reforestation of hillsides in the Kathmandu Valley, Nepal (Scouts for Community Development).

6. RESEARCH AND TRAINING

Advanced level professional forestry training is not available in the Grand Duchy. Academic foresters are therefore trained in Germany, Belgium, Austria, France or Switzerland. The Forest Administration runs a school to train forest guards and provides courses for lumberjacks. Luxembourg has no forestry research organisation or institution specialised in tropical forestry. However, the Administration maintains good relations with several foreign universities and research institutions.

7. PROJECT CYCLE MANAGEMENT

An advantage of the modest scale of Luxembourg's development aid is that the small number of people involved can communicate easily and take a very flexible approach to project management and implementation. The Ministry's main concern is to allocate the greatest possible proportion of funds to the project itself by reducing management costs to the minimum. For projects funded and managed by the Ministry or Lux-Development technical experts and staff are recruited locally wherever possible with the role of intermediaries being reduced to a minimum. This is also in line with the desire to involve local populations in projects as much as possible.

Bilateral aid projects managed by the Ministry and Lux-Development go through six phases (Lux-Development, no date):

1. Broad planning

- identification by the Ministry of the general policy, orientation and principles of co-operation;
- sectoral, geographic, financial and thematic strategies;
- suggestions for programmes or projects.

2. Identification

- preliminary drafts of project ideas elaborated by Lux-Development and the national authorities of beneficiary countries;
- evaluation of ideas by the Ministry in the context of its global objectives and desired results and activities;
- decision on whether the project should pass on to the next stage.

3. Formulation

- Lux-Development is mandated by the Ministry to carry out a feasibility study of the social, economic, financial, technical and organisational aspects of the proposal;
- preparation of the project document by Lux-Development together with local partners;
- submission to the Ministry for approval.

4. Directive

- examination of the proposal by the Ministry;
- decision made to accept (or not) the proposal and financing;
- negotiations with the beneficiary government;
- drawing up of a bilateral co-operation agreement or protocol;

- release of funds.

5. Implementation by Lux-Development

- recruitment of consultants and experts;
- initiation of professional services, work, equipment and materials;
- organisation and training;
- calendar of implementation, follow-up and progress reports.

6. Evaluation

- in parallel with implementation, Lux-Development or external experts analyse project results with a view to possible reorientation and to make recommendations for similar future projects;
- at the same time, the Ministry sends out external evaluation missions;
- at the end of the project, a final report and financial accounts are submitted to the Ministry by Lux-Development.

For NGO projects, the process is similar. Given the small size of Luxembourg NGOs, they tend to collaborate with each other or with foreign NGOs to benefit from their infrastructure, or recruit implementing staff at the project site. Any NGO wanting co-funding from the Ministry of Foreign Affairs has to provide the Ministry with a project outline. Depending on the length of the project, the NGO has to submit one or more progress reports as well as a final report. The Ministry carries out on-site evaluations of about ten NGO projects per year. Furthermore, the Ministry carries out audits of the implementing agency, Lux-Development, and five NGOs each year.

8. REVIEWS AND PROJECT PROFILES

There has not yet been an overall review of Luxembourg's very young programme of development assistance, nor of aid to specific sectors. Box 1 illustrates how Luxembourg's only forestry project is integrated into a programme of assistance to one region in Namibia.

9. CONCLUSION

While many countries are reducing their aid budgets, the Grand Duchy of Luxembourg has made considerable efforts in the field of development co-operation and, in terms of its GNP, is on the way to becoming one of the prime donors in the world. With an aim of devoting 0.7% of GNP to development aid by the year 2000, Luxembourg will, in 15 years, have moved from being a country with a minor aid programme to being proportionately one of the world's major donors.

As well as an increase in the volume of both bilateral and multilateral funding, Luxembourg's aid programme has also experienced a great improvement in the quality and implementation of projects. This follows a rapid increase in the professional expertise of personnel in the relatively new development and implementation bodies of the Ministry of Foreign Affairs, and the imposition of more rigorous criteria for NGOs wishing to obtain co-

financing. Government aid is carried out by a limited number of intermediaries and has a very flexible decision-making and implementing structure that greatly reduces administrative costs. This allows for a freedom of action and decision-making that increases the effectiveness of Luxembourg's co-operation and development policies (MAE, 1995b).

The history of Luxembourg, combined with the large budgets necessary to fund purely forestry projects, has led the government to orient its development policies towards sectors more in line with the funds at its disposal. The involvement of Luxembourg in tropical forestry is therefore modest.

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Box 1 Forestry Support for Okavango, Namibia

Since 1994 the Ministry (through Lux-Development) has been funding a project in Namibia entitled 'Forestry support for Okavango' with a total budget of LUF 17m. In line with the Ministry's preference for aid through programmes, it is one of seven bilateral aid projects funded by Luxembourg in the Northern Okavango region. Other projects in the programme are concerned with improving radio communications between ministries in the region, supporting a teachers' training college, providing cartography training and equipment, improving the contribution of livestock to community development, establishing a local market and credit schemes, and facilitating project coordination. The aim of the forestry project is to protect the Okavango forest by collaborating with the regional Department of Forests and the Ministry of Agriculture as well as the Municipality of Rundu and local communities to achieve sustainable management of forest resources, by:

- development of agroforestry and intensive forestry
- establishment of a research nursery
- awareness raising campaigns for the local population
- search for an appropriate solution to the fuelwood supply problem around the town of Rundu

(Lux-Development, 1994)

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ACRONYMS

FCD	<i>Fonds de la Coopération au Développement</i> (Development Co-operation Fund)
GNP	Gross national product
LUF	Luxembourg francs
MAE	<i>Ministère des Affaires Etrangères, du Commerce Extérieur et de la Coopération</i> (The Ministry of Foreign Affairs, External Trade and Co-operation)
NGO	Non-governmental organisation
oda	official development assistance
OECD	Organization of Economic Co-operation and Development
UNDP	United Nations Development Programme

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Netherlands

Henk Lette, Bert van der Linden and David Brown

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1. HISTORY OF FORESTRY IN THE NETHERLANDS

1.1 Temperate forest history

In the country which is now known as the Netherlands, the human influence on the landscape has long been intense. It was not always so. The two most westerly provinces of the Netherlands derive their name from their once heavily wooded character (wood is *'holt'* in old Dutch, hence *'holt-land'* – Holland). However, records show that even by the time of Charlemagne (742–814) most of the natural forest had been lost. By the thirteenth century, shortage of forest resources was severe, particularly in the north.

Much of the timber loss in this period can be attributed to the use of wood as a fuel for iron smelting. The implications for rural populations were considerable. Forests provided a range of resources of general value, including firewood, timber for construction, leaf litter and peat (for maintaining soil fertility), as well as hunting areas and grazing lands (Corten, 1997). The extent of pressure on the resource encouraged local communities very early on to demarcate their forests and invest in their management (Buis, 1993; Corten, 1997). Local management associations were established in the late Middle Ages to regulate the use of forests and common lands, and to prevent encroachment by outsiders. These associations – *'marken'* in Dutch – reflected the prevailing patterns of land ownership, for voting rights were linked to the possession of agricultural land.

So was established the profile of the small-scale land management systems which came to characterise natural resource management in the Netherlands. These developed over the centuries into a system of regulations for tree planting and replanting, for cattle grazing, and for fencing of common and private lands, and they led also to the rise of shelter systems for the intensive management of cattle and other livestock. Under the influence of rising population pressure, much of the Netherlands' forest gave way to the heath moorlands which are still much in evidence in many parts of the country. Continued peat extraction led to heavy erosion of these moors, and drifting sand became a hazard to agriculture (Buis, 1985).

There is no history of large scale forestry or timber industry in the Netherlands, and today, as in the past, forest activities remain largely oriented to the support of other sectors such as agriculture and industry. High population pressure (the Netherlands is one of the most densely populated countries in the world¹) has led to a widespread public awareness of the impact of humans on the forests. It is perhaps unsurprising that community forestry has come to occupy a particularly important place in Dutch development aid.

1.1.1 The Public Forest Service in the Netherlands

The State Forest Service, SBB (*Staatsbosbeheer*), was founded in 1899, and initially managed only 13,000 ha. of forests, dunes and drifting sands. Nowadays it is

responsible for over 180,000 ha. of public lands, half of them forests, the other half comprising grasslands, moors, peat bogs, marshlands and recreational areas. SBB, a Directorate of the Ministry of Agriculture, Nature Management and Fisheries, has primary responsibilities for the management and development of forests, and for 'nature management'. In line with the overall policy of the Ministry (which is committed to public participation in planning activities), the service is regionalised, with 14 regional offices, each subdivided into districts. The regions are chosen for their ecological integrity, and do not necessarily correspond to administrative areas.

1.2 The international timber trade

The Netherlands has been a major importer of wood since as early as the Middle Ages (8–13th centuries). It was in the seventeenth century, however, that timber imports developed a real importance, mainly due to the growth of the Dutch shipbuilding industry. Nearly all the wood necessary for this industry was imported into the country from elsewhere (Buis, 1985). Much of the early imports of timber passed down the River Rhine into the Netherlands from its eastern neighbours. Gradually, the centres of trade shifted to the tropics, particularly the West and East Indian colonies.

Before the turn of the present century, imports of tropical timber were restricted to a few specialised hardwoods. Between the two World Wars, annual imports from the tropics grew steadily to between 50,000 and 100,000 cubic metres roundwood equivalent. After the Second World War, and particularly from the early 1960s, these imports rose significantly, and by 1987 had reached more than 1.5 million cubic metres roundwood equivalent (von Meijenfeldt, 1989). Species composition has gradually changed as the most coveted species (ebony, teak, mahogany and demerara greenheart) have been priced out of the market, to be replaced by more utilitarian species such as red meranti, merbau, azobé and ramin (*ibid*). In terms of its origins, the Dutch tropical timber trade closely resembles the pattern of world trade: around 80% comes from South-east Asia, 18% from Africa, and less than 2% from South America.

2. FORESTRY IN THE COLONIAL PERIOD

2.1 The colonial expansion

The Netherlands had an early interest in tropical forests, and the reasons for this (in addition to the rapid depletion of its own temperate timber resources) can be found in its colonial history. In the early seventeenth century, the Dutch led the world in trade, science and the arts, and it was in this period that the colonial empire was established. In 1619, the Dutch East India Company took Jakarta on the northern shore of West Java, and renamed it Batavia. Initially, Dutch influence was restricted to certain trading centres, but by the late eighteenth century control of the territory was complete. The Indonesian islands were proclaimed a Dutch colony in 1816. Surinam in South America was established as an English colony in 1650, and became

1. Almost 16 million people living in a total area of only 30,000 km² (over 500 per km²)

Dutch Guyana in 1667. The Dutch Antilles were also colonised in the seventeenth century, and remained a colony until they became a fully autonomous island group of the Netherlands in 1954.

By far the most important of these possessions was the Netherlands East Indies (Indonesia), where the Dutch retained a presence for over three centuries until 1949, when the country was proclaimed an independent state. Indonesia was also the most important of the Dutch colonies from the perspective of tropical forestry.

According to Kartasubrata and Wiersum (1993), three phases can be distinguished in Indonesia's forest management up to the end of the colonial period:

- the pre-colonial period with a large variety of indigenous management systems, about which little is known;
- the teak era which started around 1800 in which forest management concentrated on sustained teak production;
- the forest plantation era, starting around 1930, in which the main focus of forest management was on establishing new plantations for purposes of both industry and watershed protection.

It was the importance of the Javan teak forests to the metropolitan naval industries (and thus to the whole economy) that led to early Dutch attempts at tropical forest management. The first regulations on forest management in Indonesia were laid down in 1808 by the colonial governor Daendels, but these failed to prevent the over-exploitation of the resource (Smiet, 1990). In 1849, the first professional foresters were appointed, with a brief to develop improved cultivation practices of the teak forest estate (Boomgaard, 1992). By this time, the principle of public responsibility for the management of the resource in the interests of the metropolitan government, as laid down by Governor Daendels, had become firmly established in forestry policy. The principle that forest conservation was best assured by state stewardship over forest lands led logically to the establishment of a professional forestry service, with responsibilities for control of forest lands, tree species development and management practices (Peluso, 1991).

Initially, the Netherlands, like so many of its European neighbours, depended on Germany to develop its expertise in tropical forestry. Following the lessons of their German teachers, the Dutch foresters focused their attention on the attempt to achieve sustainable yields. This was technically and economically feasible for teak in Javanese conditions, despite long rotations, as the timber commanded a high price and labour was very cheap (de Graaf and Hendrison, 1993).

The Indonesian experience was crucial to the development of Dutch tropical forestry expertise, and many professional foresters were later to transfer the knowledge they had gained in Indonesia to younger generations from the Netherlands, its colonies and elsewhere.

The same can be said, albeit to a lesser degree, of the second most important of the Dutch colonies, Dutch Guyana (Surinam). Surinam was a Dutch colony continuously from 1667 to its independence in 1975, and its successive forest policies reflect its colonial past. The arrival of the Dutch completely changed the functions of Surinam's forests which had hitherto been

used by the indigenous population only for slash and burn cultivation and associated hunting and fishing activities. The high demand in the Netherlands for construction timber (again the naval industry was a central and strategic concern) reoriented the Surinam forests to the interests of the metropolis, and forest management became subordinated to the needs of trade. Timber was floated down the navigable rivers of the colony to the coast, from where it was transported to the Netherlands. Paradoxically, sawn wood was imported into Surinam from Europe, as sugar merchants back-loaded otherwise empty ships returning to the colony (Hendrison, 1990).

Around the turn of the present century, balata (*Manilkara bidentata*) experienced a boom in demand (its latex is used for a variety of culinary and industrial purposes), and thousands of tappers sought their fortunes as rubber prospectors in the interior. This led to concern in official circles as to the sustainability of the resource. Silvicultural experiments failed to stimulate natural regeneration of balata trees, and so felling was prohibited by law, an ordinance which is still in force (de Graaf and Hendrison, 1993). In 1904, the first Forest Service was established in Surinam, only to be abolished in 1925 following the failure of silvicultural experiments (such as the balata project) to generate a profit for the state.

With the economic upturn that followed the Second World War, the Surinam Forest Service was revived, under the name of *Dienst Lands Bosbeheer (LBB)*. Under the direction of LBB, hundreds of kilometres of all-weather trucking roads were constructed to open up the interior to the timber trade, and silvicultural experiments involving both planting and natural regeneration were commenced. Wood technology research focused on plantations of *Pinus caribaea* and on enrichment planting, though the latter met with many difficulties. On a more positive front, in 1964 Dutch and Surinamese researchers at the CELOS Research Institute began testing possibilities of monocyclic and polycyclic methods for natural regeneration and forest management. The 'CELOS model' which resulted from these efforts has developed into a complete management system for natural forests in Surinam, incorporating silvicultural, exploitation and logging aspects (see Box 1) and this made an important contribution to the development of sustainable forest management on a global scale (de Graaf and Hendrison, 1993).

The Netherlands' long colonial history resulted in the development of an extensive interest in, knowledge of, and capacity for, tropical forestry (DGIS, 1996b). Before the First World War, efforts were concentrated mainly on the exploitation of natural forests in Indonesia and Surinam, the development of silvicultural practices (relating primarily to teak plantations) and the establishment of forest management and research institutions. Academic forestry education in the Netherlands originated in this period.

2.2 Post-colonial interest in tropical timbers

Tropical forests have retained their importance to the Netherlands in terms of commerce and trade through-

out the post-colonial period, providing another justification for Dutch interest in the discipline of forestry. Of all the industrial tropical hardwoods exploited globally in the 1980s, 35–40% were traded internationally and about 3.5% of these were destined for the Netherlands. The five most important suppliers, together covering 95% of Dutch needs, were Malaysia, Indonesia, Cameroon, Côte d'Ivoire and Gabon. Almost all of this wood originated from natural forests, mostly in the rain forest zones (von Meijenfeldt, 1989).²

3. THE STRUCTURE OF NETHERLANDS' AID TO TROPICAL FORESTRY

3.1 Levels of official development assistance

The Netherlands has long shown a high level of commitment to international aid.³ Along with Denmark, the Netherlands was the first to define specific budgetary targets for aid. In 1967, the country pledged to increase its aid to 1% of net national income within four years, and in 1976, this was increased to 1.5%. The Netherlands reached the UN target of 0.7% of GNP for official development assistance in 1975, and since that time, it has remained among the leading DAC donors. Although official development assistance has declined somewhat in recent years, the country's aid volume remains high. The oda/GNP ratio declined from a high of 0.99% in 1986/7 to 0.81% in 1993, though this still represents an outlay of \$2.5 billion (OECD, 1994).

Bendix (1996) attributes this commitment to a number of factors. The Netherlands is a small country with a turbulent history, highly populated and heavily dependent on international trade. The country's own colonial history and, in the past, the high level of migration to the colonies (and the traumatic experience of decolonisation) have all served to foster a climate of cosmopolitanism. Its international trading activities also created a large and prosperous middle class that continues to act as its 'determining social force' (Bendix, 1996:24). One consequence of this history has been a high degree of national consensus in favour of public philanthropy and development aid, through the interventions of both state and civil society.

3.2 The organisation of Dutch development aid

3.2.1 Official Aid

Dutch official bilateral aid is organised in an unusual way. Since 1965, there has been a Minister for Development Co-operation of Cabinet rank, but this

Minister operates without a Ministry. The Minister's influence is exerted primarily through the Ministry of Foreign Affairs, though the Minister also has influence in other associated Ministries, such as Economic Affairs, Defence, etc. The position of Minister for Development Co-operation permits some degree of centralisation of donor assistance, but without the need for an independent structure of aid administration (Melkert, 1986). Prior to the administrative reorganisation of January, 1997, the Minister depended largely on the staff of the Directorate-General for International Co-operation (DGIS⁴) within the Ministry of Foreign Affairs, for the planning, management and much of the implementation of development co-operation activities. Since January, 1997, Country Desks have been transferred out of the DGIS into other parts of the Ministry of Foreign Affairs. This is intended to make it easier to integrate international co-operation with Foreign Affairs, though its effect has been a significant reduction in the size and compass of the DGIS.

Aid policy is coordinated by two interministerial bodies under the control of the Minister for Development Co-operation. The interministerial Co-ordination Committee for Development Co-operation (COCOS) is chaired by the Director-General of DGIS. The committee's mandate covers the whole range of aid policy and budgeting matters. In the event of irreconcilable differences of views within COCOS, decision-making is passed to the Council for Development Co-operation (ROS), a ministerial sub-committee chaired by the Prime Minister (OECD, 1994:10).

The Ministry of Foreign Affairs through its Directorate-General for International Co-operation bears primary responsibility for development co-operation and controls the budget for its implementation, including co-operation in tropical forestry. For 1997, the overall budget was set at 6,413 million Guilders.⁵ A number of other ministries are also involved in matters relating to tropical forestry. The Ministry of Agriculture, Nature Management and Fisheries (*Ministerie van Landbouw, Natuurbeheer en Visserij* or 'LNV') is responsible for policy development in international agricultural, forestry and nature management. The Ministry of Economic Affairs and the Ministry of Housing, Spatial Planning and Environment also have competences which impinge on international forestry.⁶ Another unusual feature of the Dutch system is the institute, *IKC-Natuurbeheer* ('IKC-N', the National Reference Centre for Nature Management) of the Ministry of Agriculture, which exists to secure the flow of information to policy makers and also acts as the Ministry's institutional memory. IKC-N has three departments, Nature Management, Landscape and Forestry, the last of which has a section for International Co-operation. The main activities of this section of IKC-N are advisory work on field projects (project identification,

2. These five countries exported 80% of their exploited industrial wood. The remaining 20% was used domestically. For present purposes, Singapore's trade in timber is included in the figures for Malaysia.

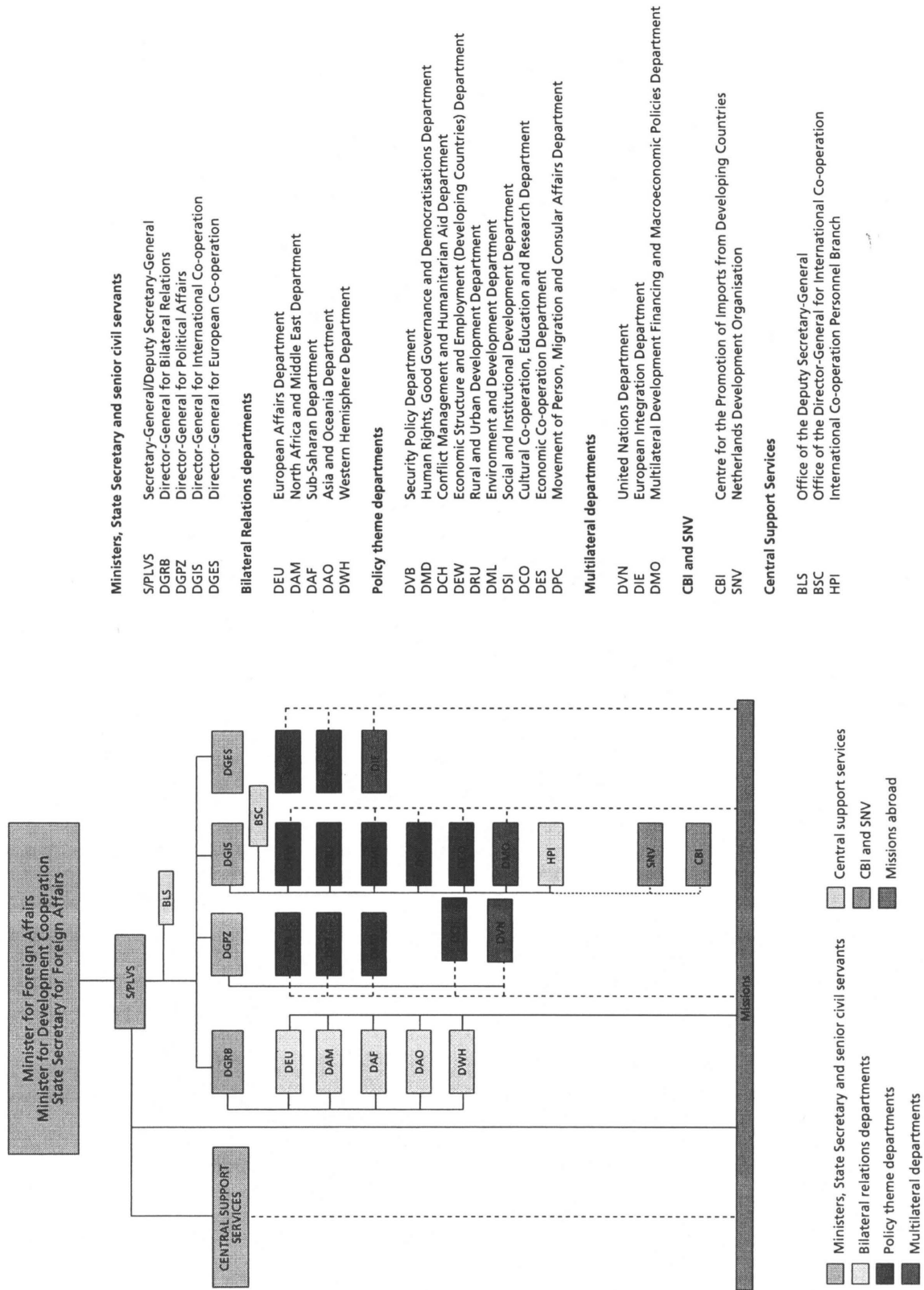
3. There is a preference in the Netherlands for the expression 'development co-operation' rather than 'aid'. The intention is to emphasise the importance of partnership in development. For the sake of brevity, the shorter term is often used in this chapter, though this is not to diminish the collaborative spirit.

4. *Directoraat-Generaal Internationale Samenwerking*, widely known as DGIS ('D-jis' to rhyme with 'aegis').

5. Approximately US\$3.3 billion.

6. The complexity of the system of forestry aid management is not without its critics. Kolk (1996) indicates problems of coordination arising out of the differing priorities of the four ministries involved.

Figure 1: Organogram of the Ministry for Foreign Affairs



Ministers, State Secretary and senior civil servants

- SPLVS Secretary-General/Deputy Secretary-General
- DGRB Director-General for Bilateral Relations
- DGPZ Director-General for Political Affairs
- DGIS Director-General for International Co-operation
- DGES Director-General for European Co-operation

Bilateral Relations departments

- DEU European Affairs Department
- DAM North Africa and Middle East Department
- DAF Sub-Saharan Department
- DAO Asia and Oceania Department
- DWH Western Hemisphere Department

Policy theme departments

- DVB Security Policy Department
- DMD Human Rights, Good Governance and Democratisations Department
- DCH Conflict Management and Humanitarian Aid Department
- DEW Economic Structure and Employment (Developing Countries) Department
- DRU Rural and Urban Development Department
- DML Environment and Development Department
- DSI Social and Institutional Development Department
- DCO Cultural Co-operation, Education and Research Department
- DES Economic Co-operation Department
- DPC Movement of Person, Migration and Consular Affairs Department

Multilateral departments

- DVN United Nations Department
- DIE European Integration Department
- DMO Multilateral Development Financing and Macroeconomic Policies Department

CBI and SNV

- CBI Centre for the Promotion of Imports from Developing Countries
- SNV Netherlands Development Organisation

Central Support Services

- BLS Office of the Deputy Secretary-General
- BSC Office of the Director-General for International Co-operation
- HPI International Co-operation Personnel Branch

formulation, monitoring and evaluation), desk studies to support the advisory work, and the establishment of databases on forestry and forestry-related topics. In geographical terms, IKC-N is concerned mainly with development activities in parts of Asia and Latin America. The forestry professionals within the Forestry and Biodiversity Support Group of the International Agricultural Centre (IAC), which is also within the Ministry of Agriculture, fulfill rather similar functions for Africa and parts of Latin America. IAC provides training services and organises seminars and workshops, on agriculture, natural resource management and rural development for staff from governmental and non-governmental organisations in the developing countries and Eastern Europe. It provides an employment service for experienced professionals in these areas, and maintains a database to support this work.

3.2.2 Aid delivery

Development-related activities in the Netherlands fall into three main spheres:

Activities carried out *in the Netherlands* concentrate on policy, project and programme monitoring and control and on awareness-raising, and involve the Ministry of Foreign Affairs (through the DGIS) and other ministries as well as NGOs. Regular meetings are held between the various ministries involved in tropical forestry through the Interdepartmental Working Group on Tropical Rainforests. This promotes development of policy for international fora, such as the Commission on Sustainable Development, the Intergovernmental Panel on Forests, the EU and the FAO Forestry Advisers Groups, etc. NGOs play an important role in awareness raising in the Netherlands, and also make inputs into policy development. They have occasional meetings with government departments on policy matters.

Activities carried out *in the developing countries* through official development assistance can be divided into two main channels, *bilateral* and *multilateral*. In relation to bilateral aid, priority is given to activities which are in line with Netherlands official policy on forestry aid, through a variety of consultative mechanisms: regular bilateral consultations between the Dutch Government and the governments of recipient countries; consultations between the sector specialists in the Dutch embassies on environment, forestry and rural development and other relevant personnel of the embassies in close collaboration with the local authorities, etc. These activities are coordinated through mechanisms such as the National Forest Action Plans, of which the Netherlands has been a prominent supporter since the earliest days.

Until recently, bilateral aid activities were managed according to a standard embassy structure, with DGIS officials complementing the diplomatic service personnel. About 60–70 DGIS staff were posted to key embassies around the world, with a Head of Development Co-operation functioning to coordinate DGIS activities in the larger embassies where several sector experts are deployed.⁷ With effect from January 1997,

7. At present (1/1997) there is only one sector expert with specific responsibilities for forestry (posted to the embassy in Vietnam), though there are three other forestry professionals with wider development briefs.

the system of aid management within the embassies has been reorganised, with the aim of devolving more responsibility to the field. Aid personnel within the embassies will henceforth be responsible for project identification, appraisal, approval, monitoring and evaluation while DGIS headquarters will cover policy development and support services, with a significantly reduced staff.

Prior to this reorganisation, there was a single Tropical Forestry Adviser at the DGIS headquarters in The Hague. The individual in question has now taken on additional functions, as head of the Rural Development Unit, and there is no one with specific responsibilities for tropical forestry. The Adviser to the Environment Programme has some responsibility for forestry matters, although his brief is primarily for biodiversity. However, it is the intention that forestry advice will be strengthened at HQ level to reinforce the new, decentralised structure. Sectoral and geographical emphases in this system are considered further in section 4.

In 1987, a 'Forestry Support Group', comprising the tropical forestry professionals from IKC and IAC, was formed to provide support for the DGIS, Ministry of Foreign Affairs and Ministry of Agriculture in their specialist field. In 1993, this was enlarged and renamed the Forestry and Biodiversity Support Group.

At the multilateral level, support is given to international fora such as the Commission on Sustainable Development, the Inter-governmental Panel on Forests, the Conference of Parties to the Conventions on Biodiversity and Climate Change, as well as the CITES Convention and to their respective secretariats. Ever since its establishment, the coordinating unit for Tropical Forestry Action Plans within FAO has been receiving support from the Netherlands, which still offers support to the plans on a regional basis. Other multilateral channels that are currently being supported include the European Union (coordination, coherence and complementarity between the European Commission and the Member States), the FAO Commission on Forestry and the non-governmental Forest Stewardship Council (in connection with the development of certification procedures for sustainably produced wood).

3.2.3 Non-governmental organisations

The Dutch development organisation SNV (Netherlands Development Organisation) and the MFOs (Co-financing non-governmental organisations),⁸ ICCO, BILANCE (recently formed from the merger of CEBEMO and VASTENAKTIE), NOVIB and HIVOS are important implementing organisations for aid programmes including forestry. BILANCE has links with the Catholic Church, ICCO is inter-church and HIVOS humanist. NOVIB has social democratic, non-religious leanings; since 1995 it has been a member of the 'OXFAM-International' group. To date, only SNV and HIVOS has had overseas representation. Until 1991, SNV was the governmental foundation for Dutch volunteers, though it now operates with a large degree of autonomy, as a quasi-NGO, and has taken on responsibilities for the management of a variety of grassroots development projects as well as for recruitment and

8. MFO stands for *Medefinancierings Organisatie*. The role of these organisations is discussed further in *Tweede Kamer*, 1990a.

management of technical co-operation workers.

The four MFOs occupy a unique position in Dutch development aid, receiving (as from 1994) a guaranteed 7% annually from the DGIS budget. They are thus permitted an unusual degree of confidence in their forward planning in comparison with most NGOs.

3.2.4 Tropenbos

Tropenbos is an international programme for the promotion of research on problems of deforestation in the humid tropics. It was set up in 1986 on the initiative of the Dutch Ministry of Education and Science, to gather and generate knowledge which might help to slow down the rate of deforestation. The programme addresses five principal themes: resource inventory, land use evaluation, ecological sustainability analysis, socio-economic local sustainability analysis, and the design of options for sustainable land use. The Tropenbos Foundation was established in 1988, in order to expand the international programme by networking and other means. The Foundation formulates, organises and finances objectives-oriented research programmes. In close co-operation with other research institutions and

the governments of the Netherlands and partner countries, several major multidisciplinary research sites have been established. Research is presently under way in Colombia, Guyana, Cameroon, Côte d'Ivoire, and Indonesia (Kalimantan). Extension and training work is also undertaken.

3.2.5 Project implementation

Project implementation is carried out through a variety of organisations, though usually with a local counterpart in the recipient country. For each project or programme a contract is signed between the Netherlands Government and the executing agency. Contracts are based on written project memoranda.

Among the major recipients of funding support from the Netherlands are multilateral organisations such as FAO, UNESCO, UNEP, the World Bank, GEF, ITTO, ESMAP and the regional development banks; the CGIAR research centres such as CIFOR and ICRAF and the regional CATIE; and international NGOs like IUCN, WWF, IIED and CARE.

The Netherlands' overall aid disbursements, by category and agency, are shown in Table 1.

Table 1: **oda net disbursements by main categories (US\$m.)**

	1992	% of total oda
Bilateral:	1,732	68.3
Grants	1,830	72.1
dev. projects/programmes	368	14.5
technical co-operation	979	38.6
food aid	113	4.4
emergency aid	182	7.2
debt forgiveness	81	3.2
support through NGOs	15	0.6
administrative costs	92	3.6
Loans	-98	-3.9
Multilateral:	805	31.7
UN Agencies	269	10.6
WFP	37	1.5
UNDP	83	3.3
UNICEF	18	0.7
UNFPA	32	1.3
EU	230	9.1
World Bank group	208	8.2
Regional development banks	59	2.3
Other multilateral	39	1.5
TOTAL	2,537	100.0

(Source: OECD, 1994)

4. TROPICAL FORESTRY POLICY

4.1 Background

Overall Dutch aid policy is laid down, periodically, in White Papers (which have budgetary implications), most notably those of 1990, 'A World of Difference' and of 1996, 'A World in Dispute'. Policy on tropical rainforests has been set out most recently in the Government's Policy paper of 1991.⁹

4.2 Forestry Strategy

Since 1981/82 substantial assistance has been provided to the tropical forestry sector (Pelinck and van Dijk, 1987). In the period 1950-78, assistance to national governments and industry dominated the forestry aid agenda. This period saw the continuation of what was basically the traditional forest policy of the colonial era, reoriented to the interests of the developing nations (*ibid*). Activities were concerned particularly with themes such as forest inventory, large scale plantations and support for the establishment of forest industries.

Increasing concern with environmental degradation and poverty in tropical countries led gradually to a new concept of 'social' or 'community forestry'. According to Pelinck and van Dijk, two international meetings in the early 1970s were crucial in reorienting the tropical forestry agenda in the Netherlands (as elsewhere): the Stockholm UN Conference on the Human Environment of 1972 (which established the environment as a central concern of development), and the World Bank meeting in Nairobi in 1973 (where rural poverty and development were identified as priorities for Bank lending, and the issue of the livelihoods of the poor were placed at the top of the international agenda). Five years later, in Jakarta, the VIIIth World Forestry Congress demonstrated the changing concerns of tropical forestry, with its theme: 'Forests for People'.

Whilst the pressures to place the human dimension at

9. English translation of 1992.

the centre of development efforts were thus international, the Netherlands can still count itself as amongst the earliest group of donors to incorporate a social perspective into its forestry aid. By the mid-1970s, it was already apparent that a mono-sectoral approach was contributing to, rather than limiting, deforestation and that a more integrated approach was needed in the aid programme, paying greater attention to the needs of the local populations who depend primarily on the forests. The Wageningen Agricultural University reorganised its Forestry Department in this period to focus attention on social aspects including agroforestry and people's participation in forest management. A social focus was given to the Netherlands' contribution to tropical forestry action plans from the earliest days. Whilst project experience in the developing world certainly played a part in consolidating this trend, it is arguable that influences emanating from the Netherlands were also influential. Such influences include the fragmentation of the Dutch forests which, for the most part, are integrated into a small-scale, multiple enterprise economy and the fact that the relationship between forestry and agriculture has long since been 'rediscovered' in this heavily populated land. In addition, the organisation of the Netherlands higher education curriculum (a forestry degree from the Wageningen Agricultural University, for example, requires four years of study, including six months practical work in the field) puts emphasis on the integration of forestry with other aspects of land management.

Since 1980, the DGIS's concern with environmental matters has steadily increased. In line with the new development approaches of the Dutch Government of the 1970s, which were focused on the small farmer and which were executed in a 'programmatic' (ie. flexible and integrated) way, attention was initially geared towards fuelwood activities in semi-arid regions as well as the integration of forestry components into rural development projects (DGIS, 1996b). In 1985, a stimulus was given to policy formulation and the development of supportive instruments by the issue of the DGIS document 'Ecology and Development Cooperation' (DGIS, 1985). Within the broad rubric of its support for the concept and implementation of Tropical Forestry Action Plans (later called Tropical Forest Action Programmes), the Netherlands focused its attention on three of the five priority areas of the TFAP: forestry in land use, fuelwood and energy, and institutional strengthening (DGIS, 1996b).¹⁰

The 1987 report 'Our Common Future' of the Brundtland Commission on Environment and Development re-emphasised the relationships between the issues of poverty, environmental degradation and economic development in relation to the concept of sustainable development. These concerns were incorporated into the policy of the Netherlands Government (*ibid*).

The Ministerial Conference on Pollution and Climate Change in 1989 in Noordwijk, the Netherlands, demonstrated the global importance of forests for stabilising climate change, and it was agreed that before

the year 2000 some 12 million hectares of forests should be planted worldwide, as a carbon sequestration mechanism. The UNCED summit in Rio de Janeiro in 1992 had a major influence on Netherlands tropical forest policy. Although the Netherlands Government had already adopted a specific policy on tropical rainforests, the Earth Summit in Rio reaffirmed its commitment to this theme (*ibid*; IKC-N, 1994).

Aid strategy is determined by the 'Policy on Tropical Rainforests' which was adopted in 1991 (Ministerie van LNV, 1992) and by the International Programme on Nature Management 1996-2000 (*Tweede Kamer*, 1995). Together they make up the framework to orient current activities and identify new initiatives.

The Netherlands Government is aware of the complexity of the threats to rainforest ecosystems and of its own limited ability to overcome them. In shaping its policy objectives, it has recognised five key issues:

- the right of sovereign states to autonomous control and use of the rainforest within their territory;
- the responsibility and commitment that all nations share in the face of global problems;
- the existence of international agreements, treaties and organisations;
- the fact that the destruction of the tropical rainforests will exacerbate the already fragile position of indigenous peoples dependent on the forest for their existence;
- the variations in ecological and socio-economic situations among regions and even nations with tropical rainforests, along with differences in their relations with the Netherlands.

With these issues in mind, the Dutch Government has adopted the following central policy objective as a frame of reference in determining its stance on individual cases:

"to encourage the preservation of the tropical rainforest through balanced and sustainable land and forest use, with a view to halting the current rapid progress of deforestation along with other environmental damage and degradation" (*Ministerie van LNV*, 1992).

The following orientations have been laid down in pursuit of this policy objective:

- active protection of surviving virgin rainforest;
- in principle, no collaboration with projects and developments that are harmful to the rainforests;
- encouraging planned land use and land management along with sustainable agriculture and forestry;
- with respect to the tropical timber trade, a concern for controlled harvesting, and encouraging the formulation and implementation of long-term planned timber production;
- national and international encouragement of afforestation and re-afforestation projects;
- strengthening institutions and legislation; empowering local populations;
- strengthening the political and social base in tropical nations;
- improving economic relations and relieving the debt burden;

10. The other two priority areas of the TFAP are forest-based industrial development and conservation of tropical forest ecosystems.

- increasing the scope for national and international tropical rainforest policy by strengthening research and institutions.

4.3 Aid delivery in Forestry Development Co-operation

Delivery of development assistance with regard to forests and forestry shows a trend of steady increase towards an expenditure of 113 million NG in 1995, of which 32 million NLG went to projects specifically on tropical rainforests. The targets for delivery within the framework of the Dutch policy on tropical forestry have been set at 150 million NLG a year since 1994 of which one third is reserved for activities directly related to tropical rainforests and the remainder (100 million NLG) for support of forest institutions, for formulation and implementation of national forest plans and programmes, and for participatory forest management and forestry activities (DGIS, 1996c). The intention is to create a fund of 0.1% of GNP for activities related to international environmental policy, starting in 1999 (*ibid*; *Tweede Kamer*, 1996). The Forestry and Biodiversity Support Group of IKC-N/IAC plays a pivotal role in preparing policy papers for the government in relation to these targets.

The shortfall of expenditure against the targets to date reflects both shortages of project proposals in conformity with existing policy and lack of appraisal capacity within the supervising agencies. The need to overcome these limitations has provided part of the justification for the decentralisation of aid management, with a shift of responsibilities to the embassies in the partner countries.

Besides a continuous growth in expenditure one can also observe changes of focus, with attention moving from the traditional fuelwood and agroforestry projects of the 1970s to institutional strengthening, forest planning, forest sector coordination, participatory forestry approaches and integrated watershed management in the last decade (DGIS, 1996b). Traditional fuelwood projects have increasingly been integrated into rural development projects as an aspect of the overall production system, particularly in the Sahel.

In making financial resources available, due attention has been given to the relatively long-term nature of forestry activities. The Dutch Government has shown itself ready to commit resources on a long-term basis where circumstances so demand, and major projects often run into several phases. The Kenya Woodfuel Agroforestry Programme (KWAP), for example, which began in 1983, completed its third phase in 1996; the Project: *Bois de Villages: Appui à la Foresterie Villageoise* in Burkina Faso commenced in 1979, and still receives some support, as does the Kali Konto Project in Indonesia, launched in 1979. In the Americas, the *Proyecto participativo de manejo de bosques y recursos naturales con pueblos indigenas* in Bolivia is now in its eighteenth year, and a project proposal is under consideration which will assure funding at least until 2001. This project has been supported by HIVOS since its inception, and has been provided with technical assistance by SNV since 1987.

Since 1984, the Dutch Government has adopted a policy of delegating implementation of activities in the

field to other organisations, and official Dutch-managed projects have been severely cut back. The private sector is intended to benefit from this policy change, particularly in the recipient countries. This is felt to be more cost-effective in the long run. For forestry the delegation of implementation activities has been an important channel of aid disbursement. The 'multi-bi' funding of projects has been extensively employed, with UN organisations, particularly FAO, acting in a quasi-commercial capacity for the implementation of projects supported by the Netherlands through a trust fund arrangement.

5. PROJECTS FUNDED BY REGION AND TYPE

5.1 Geographical criteria for selection

In the main reformulation of Dutch policy on development co-operation of 1984 (*Tweede Kamer*, 1984), an assessment was made of the criteria for the selection of countries which could benefit from Netherlands' aid. Before that date support was given to so-called 'concentration' countries. Since 1984, the main beneficiaries have been known as 'programme' countries, with additional categories of 'regional' countries (countries belonging to a region that is supported in an integrated manner) and 'sector' countries (countries that may be supported only to a limited extent for specific activities important for one of the sectoral policy priorities of the development co-operation).

Until 1984 continuity of co-operation between the Netherlands and the recipient country was one of the factors taken into account in making the selection. This continuity remained important after 1984 as a means of improving knowledge of countries, their populations and culture, and facilitated a structural approach to development co-operation. However, it was obvious by this time that too many activities were being implemented in too wide a variety of sectors in too many countries, resulting in a generally rather low level of impact. For this reason, it was found necessary to decrease the number of recipient countries (*Tweede Kamer*, 1984).

The 'programme' countries were selected on the basis of their per capita income not being above the IDA standard (in 1983, this was US\$795 per year). There was an additional requirement that their social and economic policies should be progressive. These countries coincided with the existing 'concentration countries': Bangladesh, Egypt, India, Indonesia, Kenya, North Yemen, Pakistan, Sudan, Sri Lanka and Tanzania. Criteria for aid were thus related to poverty status, social and economic development policy, and the human rights situation (*Tweede Kamer*, 1984). The 'concentration' regions were the Sahel, Southern Africa and Central America. In 1986 a fourth region was added to the concentration regions: the Andes region.

In the 1990 White Paper on development co-operation, *'A World of Difference'*, some changes were proposed in the number of selected countries and in the criteria for selection, especially with regard to the 'sector' countries. The new criteria were relevance to conceptual policy priorities together with a certain degree of geographical dispersal and balance (*Tweede Kamer*, 1990). In 1996, another important general

policy document on aid, 'A World in Dispute', was published and this led to a further geographical review (*Tweede Kamer*, 1996).

As from 1993, the countries eligible for development assistance were classified into the following categories:

- countries with regular co-operation (including the countries with which the Netherlands has signed a special sustainable development agreement, in which development co-operation is only one aspect among several);
- countries where co-operation will contribute to conflict resolution and rehabilitation; and
- countries in transition and subject to structural transformation towards a market oriented and democratic society.

Co-operation with countries in the first category is usually structural whereas this is not the case with the other two categories.

The current policy of the Ministry of Foreign Affairs concentrates activities in the following countries (DGIS, 1996a):

a. *countries with regular co-operation*

In Asia: Bangladesh, India, Nepal, Pakistan, the Philippines and Sri Lanka.

In Africa: the Sahel region: Burkina Faso, Ghana, Niger, Guinea Bissau, Cape Verde, Mali and Senegal; the Nile and Red Sea region: Egypt, Ethiopia, Yemen; the East Africa region: Kenya, Tanzania and Uganda; and the Southern Africa region: Mozambique, Zambia and Zimbabwe.

In Latin America and Caribbean: the Central America region: El Salvador, Guatemala, Haiti, Honduras, Jamaica and Nicaragua; and the Andes region: Bolivia, Ecuador and Peru. Special relations exist with Surinam, the Netherlands Antilles and Aruba.

Special sustainable development conventions have been signed with Benin, Costa Rica and Bhutan.

b. *countries in conflict or in rehabilitation:*

Angola, Occupied Territories,¹¹ Eritrea, Cambodia, Rwanda, Sudan and Somalia.

c. *countries in transition:*

Armenia, Bulgaria, Georgia, Moldavia, Romania, former Yugoslavia, Albania, Azerbaijan, Kyrgyzstan, Mongolia, Namibia, Vietnam and South Africa.

Since 1995, an internal Ministerial Memorandum has also been operative, which has required each country programme statement to include a paragraph on the status of its forests.

In relation to aid to forestry, an additional criterion for funding is relevance to the natural resource conditions and needs of the country in question. The policy paper adopted in 1991 re-emphasised the government's commitment to action in support of rainforests and this led to an extension of the number

of countries where rainforest-related activities may be implemented (*Ministerie van LNV*, 1992). These additional countries are Madagascar, Colombia, Cameroon, Laos and Papua New Guinea. Some activities are also undertaken in Brazil and Thailand (*Tweede Kamer*, 1994). The Netherlands is represented on the International Advisory Group for the Brazil Pilot Programme, and contributed almost 10 million NLG to the programme for the period 1992–8.

The selection of partners for forestry aid is thus a rather complex matter, with a mix of factors – socio-economic, political and economic – all playing their part in deciding eligibility.

5.1.1 Disbursements in selected countries

Recent expenditure on forestry development co-operation projects on a regional basis is shown in Table 2.

From the table it can be seen that spending on forestry activities within the framework of Netherlands development co-operation has increased considerably in recent years. Taking into account the expenditure in 1995 noted above, this trend seems likely to continue.¹² In addition, funding for activities of a worldwide nature has increased substantially.

5.2 Types of projects supported

The most recent information available on forestry projects is that for 1995, although the most complete information is for 1992. A total of 201 projects was in the implementation phase during 1992. Forestry aid by sector is shown in Table 3.

It is apparent that expenditure on projects concerned with the conservation of forest ecosystems increased substantially in the period 1986–92.¹³ This was partly because of the increasing attention devoted to management and preservation of biological diversity and tropical rainforests in the overall programme [DGIS and *Ministerie van LNV* 1993], and partly because of participation in the Global Environment Fund (47% of the expenditure in the GEF pilot phase has been on biodiversity). A decrease can be observed in expenditure on fuelwood and energy projects which is partly due to integration of these activities into broader rural development projects (*ibid*).

5.3 Institutional channels for project assistance

The channels through which forestry aid has been implemented are also of interest. Table 4 indicates the important part played by the multilateral agencies (particularly FAO) in Dutch forestry aid, and substantiates the trend towards increased funding of NGOs, largely at the expense of bilateral projects. 60% of expenditure in the years 1991–92 can be accounted for by only five implementing agencies: FAO (22%), GEF (14%), IUCN (19%), World Bank (7%) and SNV (also 7%). Only 5% of the project volume has been implemented directly through the DGIS' own implementing channels. Generally the latter concern forestry

11. ie. Palestine and the Israeli-occupied territories

12. Detailed breakdown of expenditure for 1995 is not yet available.

13. Included in these statistics (in addition to forest ecosystems) are other ecological types in the tropics, like wetlands.

Table 2: Disbursements in forestry development co-operation projects, 1988–95 (in NLGm.)

Area	1988	1990	1992	1995*
Worldwide	4.3	10.1	33.5	21.2
Africa, regional	0.0	0.5	0.0	
Nile and Red Sea	6.2	5.6	4.4	
East Africa	2.4	5.2	7.5	
Sahel	19.4	29.8	22.1	
Southern Africa	0.5	0.9	0.4	
Sub-total Africa	28.5	42.0	34.3	34.6
Asia, regional	1.2	2.7	2.5	
East Asia and Indonesia	6.4	8.7	7.8	
Mekong, Bangladesh, Pakistan, Bhutan	5.3	8.1	2.3	
Southern Asia	5.0	2.3	5.4	
Sub-total Asia	17.9	21.8	18.0	27.6
Latin America, regional	0.0	0.3	2.1	
Central America and Caribbean	4.3	10.0	5.4	
South America/Andes	4.7	8.4	10.8	
Surinam	0.0	0.0	0.0	
Sub-total Latin America	9.0	18.7	18.3	29.5
TOTAL	59.7	92.6	104.1	112.9

(Source: DGIS, MvanLNV, 1991 and 1993; FBSC (IAC/IKC) 1996 (*unofficial figures))

Table 3: Total disbursements of forestry aid, 1986–95 according to TFAP categories (NLG m.)

Programmes	1986	1990	1992	1995
Forestry in land use	23 (41%)	46 (50%)	47 (46%)	39.9 (35%)
Forest-based industrial development	0 (0%)	2 (2%)	0 (0%)	7.1 (6%)
Fuelwood and energy	7 (12%)	14 (15%)	6 (6%)	3.0 (3%)
Conservation of tropical forest ecosystems	1 (2%)	4 (4%)	30 (29%)	18.9 (17%)
Institutional strengthening	26 (45%)	27 (29%)	20 (19%)	43.8 (39%)
of which:				
Research	(21%)	(5%)		
Training	(12%)	(6%)		
General	(12%)	(13%)		
TOTAL	57 (100%)	93 (100%)	103 (100%)	112.9 (100%)

(Sources: DGIS, M van LNV, 1991 and 1993; and BLITTERSWIJK, 1991; FBSG (IAC/IKC) 1996)

components of broader rural development projects (*ibid*).

Within the framework of the Policy on Tropical Rainforests, the Netherlands also contributes to activities in countries with which it does not maintain a regular development co-operation relationship. It co-finances the Brazil Pilot Programme initiated by Brazil, the European Union and the World Bank, in 1990–91.

5.4 Forest management models

Interventions by the Netherlands in tropical forestry projects have used many different approaches, most notably (in the last two decades) variants of the 'participatory' approach.

Ever since the sub-Saharan village forestry projects in the late 1970s, where the participatory GRAAP 'model' was the basis of all local-level interventions, many

Table 4: Disbursements on forestry development co-operation according to implementing agency, 1990–95 (NLG m.)

Implementing Agency	1990		1992		1995	
Multilateral	48	(51%)	50	(48%)	46.2	(41%)
Bilateral	37	(40%)	27	(26%)	31.6	(28%)
NGOs ^a	9	(9%)	27	(26%)	35.1	(31%)
TOTAL	93	(100%)	103	(100%)	112.9	(100%)

Note(a) In 1993, the Netherlands development organisation SNV is classified as an NGO, while in 1990 it was classified as bilateral; this organisation alone counts for 7% of DGIS expenditure.

(Source: DGIS, MvanLNV, 1993; FBSG, IAC/IKC, 1996)

Dutch-funded projects have followed a participatory approach.¹⁴ Examples include the FAO Peru and Bolivia projects, the FAO *Desarrollo Forestal Participativo de los Andes*, the Kali Konto project in Indonesia, and the Malakand Social Forestry project in Pakistan.

Through these participatory approaches new types of activities have been formulated according to the interests of the various stakeholders. Starting with the fuelwood projects of the 1970s in sub-Saharan Africa (aiming at fixed acreages of Eucalyptus plantations per year per village), forestry interventions have evolved towards a more integrated approach involving the management of existing vegetation through concepts like *aménagement de terroir villageois*. These have involved intersectoral links (for instance, with annual crop production and soil conservation activities).

The only real 'forest management model', in the strict sense of the term that has been developed through Dutch interventions in tropical forests and in close co-operation with institutions in developing countries is the CELOS management system (Box 1). This was one of the first sustainable forest management models to include silvicultural, logging and harvesting elements.

6. TROPICAL FORESTRY RESEARCH AND TRAINING IN THE NETHERLANDS

6.1 Educational courses in forestry

The main institutions providing degree-level courses dealing with forestry, both temperate and tropical, are the Department of Forestry of the Wageningen Agricultural University (*Vakroep Bosbouw, Landbouwwuniversiteit Wageningen* or 'WAU') and the International Agricultural College, Larenstein (*Internationale Agrarische Hogeschool Larenstein* or 'IAHL'). WAU no longer offers a single specialism forestry course; since 1995, forestry issues have formed part of a new course in Forest and Nature Management, which covers four

main subject areas: forest and nature policy; forest and nature management; forest and nature development; and recreation and tourism. The course is of 5-years duration and leads to an Ir. (engineer) degree comparable to an Msc. IAHL offers higher vocational education in both tropical and temperate forestry, leading to an Ing. (engineer) degree, comparable to a BSc. These courses are of relevance to both temperate and tropical forestry.

Besides these programmes, which are mainly for Dutch forestry students, WAU and IAHL also offer international MSc courses in tropical forestry. WAU has a PhD programme. WAU has wide research and educational interests in tropical forests and trees as living systems and in the methods to use them sustainably to the benefit of user groups.

6.2 Training courses in tropical forestry

Shorter training courses in tropical forestry are provided by three institutions: the International Agricultural Centre (IAC, *Internationaal Agrarisch Centrum*) in Wageningen; the International Institute for Aerospace Survey and Earth Sciences, Forest Science Division (ITC) in Enschede; and the International Vocation Training Centre (*IPC Groene Ruimte*) in Arnhem.

IAC offers training programmes in agriculture, management of natural resources and rural development, to staff from governmental and non-governmental organizations in developing countries and Eastern Europe. It also provides advice and assistance to the Dutch government regarding policies, programmes and projects in the field of agriculture, natural resource management and rural development.

ITC provides a comprehensive service through 'knowledge transfer' (ie. education and advisory work) and 'knowledge development' (research) to strengthen the productive, innovative and management capabilities of individuals and organisations, primarily in developing countries, engaged in the acquisition, handling, presentation and use of geo-information. It aims to strengthen abilities to acquire geographic information, particularly through aerospace survey, and to contribute to the development co-operation goals of the Netherlands Government and other international development agencies through facilitating the efficient capture, analysis and use of geo-information in the resolution of development problems.

In relation specifically to tropical forests and forestry, ITC is concerned with the acquisition and use of information for decision-making in sustainable forest and tree management, in combatting deforestation and

14. GRAAP is a community animation approach developed in francophone West Africa in the 1960s and 1970s. The approach began to be used in the Netherlands aid programme in the early 1980s, in the *Bois de villages* ... project in Burkina Faso; support has since been given to the development of the methodology and its adaption to a range of management issues. For a description of GRAAP, see Bouyer (1995).

Box 1. The CELOS Management System (CMS)

CMS is a management system for tropical rain forests with defined objectives and planned harvesting and silvicultural treatments. It is a polycyclic system which aims to produce a forest in which several generations of trees are present which will be harvested sequentially on a 20–25 year rotation. It was developed in Surinam in a joint project of the Agricultural University Wageningen and the University of Surinam entitled "Human interference in the tropical rain forest ecosystem". The name CELOS derives from the Dutch name of the Centre for Agricultural Research in Surinam where the initial experiments were made.

The CMS may be classified as a modern forest management system as it includes the economics of harvesting of commercial timber and silvicultural treatment within the limitations set by the need to maintain the ecological stability of the forest.

The CELOS Management System consists of two components, the CELOS Silvicultural System (CSS) and the CELOS Harvesting System (CHS). The CSS favours the growth and enrichment of commercially valuable species. The CHS aims at efficient logging with a minimum of damage to the remaining stand and soil.

The starting point of CMS is a forest area allocated as a permanent management unit (with the most important function being the production of timber). The unit is planned and designed with the aid of the maximum available information, such as aerial photographs, terrestrial inventories (including a 100% inventory of potentially harvestable trees of commercially attractive species), and topographic and soil maps. The aim is to open up the forest in such a way as to minimise the disturbance to the ecosystem, while permitting harvesting operations to be carried out efficiently and economically. Logging intensity is restricted in order to minimize the damage to the stand and to prevent excessive loss of nutrients from the forest ecosystem. The Silvicultural System is based on the concept of 'biomass

dependent site quality', appropriate to situations in which large parts of the nutrients of the whole ecosystem are concentrated in the biomass, and not in the soil. It comprises several treatments, referred to as refinements, in which undesirable trees are killed by poison-girdling not cutting, so that the nutrients of the dying trees are slowly released and captured within the ecosystem, benefiting the growth of the remaining trees. The ecological balance is carefully monitored against disruption, as this process takes place. An adequate stock is maintained of tree species which may be commercially unattractive but which are necessary to sustain the forest ecosystem.

The full effects of the CMS on the ecosystem are as yet little understood. Changes in the populations of species of flora and fauna have been detected, but more research is necessary to determine the long-term effects on the forest ecosystem.

The CMS was developed in Surinam and is adapted to the conditions in that country: mesophytic forest on nutrient-poor soils in an area of low density of human population. These conditions are also met over the region covering much of the Guyanas (Guyana and French Guyane) and in the northern part of Brazil. In several parts of this region forest management systems based on CMS are being implemented. For other tropical regions, especially in areas of high population pressure, the applicability of the CMS is questionable. Nevertheless, some of the methods used in the Harvesting and Silvicultural System are also likely to be valid in tropical areas elsewhere.

Reference

Bodegom, A. J. van, and N.R. De Graaf (eds). 1991. *The CELOS Management System: a provisional manual*. National Reference Centre for Nature Management (IKC N), Department of Forestry, Wageningen Agricultural University, BOS Foundation. Wageningen, The Netherlands.

forest degradation, in conserving biodiversity, in environmental protection and in achieving social and economic development.

IPC provides educational training and advisory services in management of natural resources to a variety of target groups, both from the Netherlands and abroad.

All three institutions offer training courses focused on the needs of international students.

6.3 Other educational, training and research institutions

There are, in addition, well over twenty other university teaching departments and research centres, independent research organisations and foundations, NGOs and consultancy groups offering courses of varying duration relevant to tropical forestry. These and other organisations involved in tropical forest management are discussed in detail in the inventory prepared by BOS Foundation (1996).¹⁵

15. BOS Foundation, Organisation for International Forestry Co-operation (1996) *A guide to Dutch organisations on tropical forest and nature management*, PO Box 23, 6700 AA Wageningen, The Netherlands.

7. PROJECT CYCLE MANAGEMENT

The project cycle management models used in development projects are determined by the wide variety of conditions relating to the diverse organisations employed. Two general characteristics of project management in Dutch official aid are particularly worthy of review, namely, the procedures applied by the Ministry responsible for the approval of projects and the general project cycle used.

7.1 Project cycle

The *project cycle* involves a familiar sequence of stages: identification, formulation, appraisal, implementation, monitoring and evaluation. Project identification is carried out in several ways ranging from the simple adoption of a local proposal to the sending of special identification missions. Project ideas are often generated in the course of other funded projects or alternatively, emerge from framework planning mechanisms like the National Forestry Action Plans. If the project idea is in line with prevailing Dutch policy on development co-operation and its policy for forestry development in the tropics, and if the respective budgets allocated to the recipient countries contain appropriate funds, then the project idea may be developed into a project proposal,

with or without the assistance of the Dutch Government, as the case demands.

The formulation of project proposals has undergone considerable changes in recent years. Whereas in the 1960s and 1970s projects were mainly based on 'blueprint' models, by the end of the 1970s the programmatic 'process' approach had already come into vogue in the Netherlands. This allowed more attention to be given to the interests of target groups and categories.

The period needed for approval of projects at the Ministry level in the Netherlands has tended to be excessively long, due largely to staffing shortages within the DGIS. Since the most recent reformulation of Dutch foreign policy concerning development co-operation in 1996, all procedures relating to formulation, approval and implementation of normal projects are now in the hands of the embassies. This may be expected to shorten the identification and appraisal periods.

The implementation phase has seen major improvements in monitoring and evaluation systems in recent years. Evaluation of projects normally involves mid-term review and final evaluation at or near the end of the project phase. The Inspection Unit of the Ministry of Foreign Affairs also undertakes evaluations of country programmes or of thematic areas across a number of countries, on a random basis (IOV, 1992 and 1994).

7.2 Ministry procedures

Within the Ministry, the procedures for approval of project proposals are rather complicated. Variations occur according to the total budget required for the projects. After the project proposal has been submitted to the embassy, an identification memorandum ('IDMO') is prepared. This locates the proposal in relation to the development policy of the Netherlands towards the recipient country in question, and the policies of the recipient country itself. After appraisal, this analysis is elaborated in the 'memorandum of appraisal' ('BEMO'), which is then signed by the managers of relevant units within the Ministry. It is a requirement that all proposals are appraised against three criteria: the position of women, the environment and poverty alleviation.

External advice is provided by the Forestry and Biodiversity Support Group of the Ministry of Agriculture, Nature Management and Fisheries. For the larger projects, a project advisory committee is set up to deal with the request. Once all the units have approved the proposal, implementation can start as soon as the contracts are signed. During implementation the same Forestry and Biodiversity Support Group may be called on to monitor the project, at the request of the Ministry of Foreign Affairs.

Beginning in 1997, the majority of these administrative steps are to be handled by the respective embassies in the recipient countries, under the new policy on foreign affairs and development co-operation.

There are no special requirements as regards procedures for submission of proposals by external agencies. The use of the logical framework or other standardised formats is not obligatory (although, of course, proposals need to be presented in a coherent way). The essential requirements are that the proposal is shown to address an obvious need in the recipient country, to be

locally owned in a meaningful sense both by the recipient country and the implementing organisation, and to correspond to the Netherlands' priorities in both policy and budgetary terms.

8. REVIEW OF THE MAJOR FORESTRY PROJECTS

8.1 The need for flexibility

A feature of Dutch project management in recent years has been flexibility of execution, to take account of changing perceptions of the project rationale. In the early years, reforestation was often considered to be the solution to the problems of land degradation, but later on, changing perceptions of the environmental problems and the role of land use practices led to a more holistic view, and hence to the integration of forestry activities in agricultural systems and rural development programmes.

Conservation and sustainable management of natural forest resources have become increasingly important project themes. This shift in approach can be observed in all projects in which reforestation is an important activity. In the fuelwood projects in Burkina Faso and Kenya, the multipurpose use of trees has been integrated into agroforestry systems management. In the Jalapa Valley Project in Nicaragua, the Participatory Forest Management Project in Bolivia, and the Malakand Social Forestry Project in Pakistan, the development of management schemes for the natural vegetation has become part of the project activities. The research project CONIF-HOLANDA was set up specifically to investigate the possibilities of integrating agricultural practices with management of the natural forest vegetation in rural development projects.

Institutional strengthening has been increasingly recognised as a prerequisite for ensuring the sustainability of project activities. This often requires long-term assistance to allow the relevant institutions to make substantial adjustments in their policies and to train their staff to perform new tasks. Consequently, evaluations often reveal the necessity to extend the projects into a new phase in which the capacity of the institutions can be built up further by training and extension activities. This was recognised in the Village Forestry Project in Burkina Faso, the KWAP project in Kenya and the Malakand Social Forestry Project in Pakistan, where the forest services had to familiarise themselves with a participatory approach, and learn to be agents for technical assistance. In Latin America, where aid is directed to the reinforcement of networks (for example the 'Participatory Forestry Development Project' in the Andes region, the 'Participatory Forest Management Project' in Bolivia, the 'Forests, Trees and People' project, and the 'Project Support for the implementation of the National Forestry Action Programmes' of Ecuador, Bolivia and other Andes countries), network activities have had to be followed by other efforts to consolidate the results and ensure their sustainability, independent of external support.

The role of women in the rural development process is another aspect that has gained increasing attention over the years. In all projects, activities can be identified

which aim to increase the economic independence of women and their influence on the planning of the rural development process. Through involvement in fuelwood schemes, which are directly related to their traditional tasks, women are increasingly involved in other forestry activities. Some projects have special women's components, for example the Jalapa Valley Project in Nicaragua and the Malakand Social Forestry Project in Pakistan; others have a generic gender aspect to all interventions and activities (for example, the Participatory Forest Management Project in Bolivia and the Village Forestry Project in Burkina Faso). Evaluations reveal that these activities need long-term project support. Considerable training and extension are needed to strengthen and consolidate the position of women in rural development processes.

The increase in attention given to environmental problems can be attributed to experiences gained in forestry projects, notably in the Sahel. These experiences are now being exploited to help policy development and improve the execution of programmes with a rural development character. Institutional strengthening and the participation of the local populations, in particular women, are recognised as important conditions for the success of the programmes and the sustainability of the results.

8.2 Case studies

This section briefly reviews three forestry development projects, as illustrative of key themes in the Netherlands' aid programme of development assistance.

8.2.1 Kenya Woodfuel Agroforestry Programme (KWAP)

Introduction

During the 1970s and early 1980s, the environmental crisis received growing recognition from the international community. The International Council for Research in Agroforestry (ICRAF) was established and energy studies in a number of African countries led to rural afforestation initiatives. In Kenya, the Fuelwood Cycle Study which was jointly carried out by the Ministry of Energy (MOE) and the Beijer Institute (1981–82) led to the establishment of the Kenya Woodfuel Development Programme (KWDP) under the auspices of the MOE (1983–88). This operated in two districts (Kakamega and Kisii). The Netherlands has supported the project technically and financially.

KWDP (Phase I) (1983–88)

The overall objective was to focus research on the development of socially acceptable agroforestry technical packages within the two pilot districts, with the intention that these would provide the basis for replication elsewhere in Kenya. The project was also concerned with extension approaches and methods to increase fuelwood production, the development of replicable planning methods and personnel development to prepare, execute and monitor fuelwood projects. The KWDP recognised the existence of socio-cultural values (often gender-specific) relating to woodfuel and tree management. A Mass Awareness Programme (MAP) tackled this issue.

The Phase One evaluation called for continuation of

the programme so as to transfer the results to the district extension agencies. The original focus on fuelwood was broadened to agroforestry in order to include tree planting for various end uses. The project was reformulated (and renamed) and a rather different set of objectives and approaches was developed.

KWAP1 (Phase II) (1989–91)

The overall objective was now to develop a process of transfer of KWAP's knowledge on improved biomass production and extension methodologies to field extension staff. This was to be done in collaboration with district extension officers and other relevant organizations operating within the pilot districts.

A shift took place in tasks and target groups away from the original concern with research and development with farmers towards transfer to, and institutionalisation by, extensionists and trainers. Another important shift was the decision to include multi-purpose aspects of tree use, not just fuelwood. Fodder production, soil conservation, the maintenance of soil fertility and local seed production and supply were included as project activities.

The methods employed in training, extension and field activities followed the 2-way mirror approach, representing a big shift from conventional approaches to extension training which tend to emphasise the delivery of messages from extensionists to farmers. Use was made of a multiple means approach to develop public awareness, including mass rallies, follow-up meetings, agricultural shows, radio, drama, films, video and slides.

KWAP1 made a valuable contribution to the development of an approach to training, extension and technology development, making good use of existing government and non-government staff and resources. The focus on agroforestry proved to be a fruitful one, both as regards bringing together different line ministries, and contributing to the sustainability of farming systems for people with small land holdings in situations of significant land pressure.

The overall conclusion of the Phase Two evaluation was that satisfactory progress had been made in both districts towards achieving most of the objectives. The process of transfer of methods was proceeding satisfactorily and there were indications of good complementarity between co-operating agencies in planning and executing field work in agroforestry. This work was responding to the needs of the rural population in relation to woodfuel and other woody biomass requirements and was also in line with government policy of Kenya. Its contribution to environmental awareness was in line with the objectives of the Netherlands development co-operation policy.

Despite the emergence of new forms of inter-agency co-operation and problems of woodfuel supply in the two districts, application of agroforestry practices only took off to a limited extent. The outreach of district agencies to farm level was small due to lack of funds and logistic support, and the sectoral bias of the agency tended to limit the effectiveness of the approach. Many farms incorporated a number of new trees but only few developed the full potential of agroforestry. However, awareness of agroforestry was high at all levels.

It was recommended that further work be carried out to consolidate the achievements to date by:

- follow-up activities and support;
- training of new extension trainers and other target groups;
- monitoring and evaluation of effectiveness and impact of methods of transfer used.

This resulted in the formulation of KWAP2 (Phase III) in which attention was to be concentrated on farmer needs.

KWAP2 (Phase III) (1992–96)

This phase of the project was implemented in four new Districts. A period of withdrawal from the two old districts was also included in this phase. The objective of the phase was to develop a sustainable rural production environment for responding to the woody biomass needs of the rural households.

Farmers were directly involved in developing agroforestry options, and in analysing the socio-cultural constraints and potential in a participatory way. The KWAP approach concentrated on strong collaboration with existing organisations and institutions involved in agroforestry activities with the farming communities.

A considerable degree of institutionalisation and integration of programme activities was accomplished within the administrative and development organisations of the Districts. The agroforestry systems approach resulted in a zoning of each district into different agroforestry recommendation areas. Sensitization and training of Senior District Staff and extension staff in the agroforestry systems approach was successful in all districts.

The handing-over of KWAP activities in the old Districts has now been completed, but it is hoped to provide continuing support to the communities in question in order to reap the benefits of the programme's earlier activities.

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8.2.2 The Kali Konto Project, Indonesia

The rate of population growth has increased significantly in Indonesia in recent decades, especially on the island of Java. One of the consequences has been a more intensive pattern of land use, in some places leading to deforestation on slopes, and thus erosion and decrease in the production capacity of the soils. This has also affected the river system, causing sedimentation and inundation in the lowlands.

In order to address this problem the Indonesian Government began to develop watershed management plans. A request was made to the Netherlands Government to provide technical co-operation to help develop a plan for forestry as a basis for rural community development in one of the catchment areas of the Brantas River Basin in East Java. This resulted in the implementation of the Kali Konto project in 1979, coordinated by the Javanese Forestry Department *Perum Perhutani* in co-operation with the Netherlands National Forestry Service (*Staatsbosbeheer*). Kali Konto is one of the major tributaries of the Brantas river and

its catchment area covers about 25,000 ha. Two thirds of this area is forested and owned by the Indonesian Forest Service and one third consists of village agricultural lands. The project was originally prompted by the rapid sedimentation of a dam in the Kali Konto River, which was blamed on upriver deforestation.

Objective

The objective of the project was to draw up a master plan for forestry and agro-forestry for the upper watershed of the Kali Konto in such a way that a proper balance could be achieved between the environmental functions of the forest and the needs of the population. Secondary objectives were to draw up a planning and management model for a study area on Java as an example for all watersheds in densely populated areas of Indonesia. The following priorities were identified:

- improving living conditions of the local people, encouraging self-reliance and maintaining and increasing standards of living;
- creating sound and stable ecological systems;
- creating a forest system based on multipurpose management fitting in the national forest policy.

Strategy and methodology

In the first phase the focus was on agricultural and socio-economic aspects (including inventories of vegetation) in order to be able to make an appraisal of existing land use practices in the area and their impact on the environment. This appraisal was coordinated by the Netherlands Institute for Nature Management (RIN). Its results were used to draw up a master plan. One of the conclusions was that the sedimentation was not caused by deforestation but by land use practices on the village lands. It was also concluded that the forest land had the potential to fulfil the demands of both the local population and resource conservation, allowing optimal financial returns. It was recommended that there should be modifications to the policy, rules and regulations for the management of the Kali Konto forest land to allow the implementation of integrated management options. The appraisal called for surveys of the availability and use of natural resources and pilot trials to test various management models, and for a programme to transfer the experience and information to counterpart personnel and government authorities.

As a result several changes took place during the course of the project. In the first phase emphasis was on forestry management and reforestation. The second phase was broader in scope, and aimed at regional development (including village lands) and raising living standards. The third and the fourth phases were mainly concerned with the application of improved farming techniques and the development of a planning methodology for sustainable management of river basins.

This broadening of objectives extended the project area considerably beyond that for which the *Perum Perhutani* was responsible. Consequently, responsibility was transferred to the Ministry of Forestry's Directorate of Reforestation and Rehabilitation. On the Dutch side, the technical assistance project was put out to contract and the brief given to a consultancy firm. The research component was gradually expanded. This was encouraged by the DGIS. The new project staff concluded that

the earlier analysis had been deficient. Local erosion problems were less severe than had been assumed. This led to a shift away from a sectoral approach to one integrating environmental considerations into the framework of regional development.

The main activities of the project were:

- research: surveys of the availability and use of natural resources, social and economic studies, design and testing of improved techniques, etc. This category of activity received much more emphasis than had been originally planned;
- training courses: from 1986 onwards these were transferred to the School of Environmental Conservation Management;
- operational activities in such areas as forestry, income generation and improved land use in woodlands and village areas.

Results

The main effect is a better understanding of the causes of erosion in river basins like that of Kali Konto. Deforestation and agriculture proved to be secondary contributors; natural processes and the construction of houses, roads, etc. are likely to be significantly more important. Other outputs were reforestation of 1,680 ha between 1986 and 1989 and the encouragement of new agricultural techniques in the village areas. Though impact analyses are inadequate, the project may have helped increase the output of forest products (without leading to demonstrable overexploitation) and may have reduced water flows by five per cent in the dry season. On the social and economic side the project made a temporary contribution to increasing rural employment and incomes. Research showed no structural changes in income levels.

The project faced the consequences of a sectoral (forestry-based) background analysis: misidentification of the principal problems and a poor choice of location. In the course of implementation greater stress came to be placed on certain aspects of sustainable development, in particular greater awareness of surrounding conditions and intersectoral relations. The follow-up project appears to have drawn lessons with regard to need for careful project identification and formulation, with considerable care being taken over the choice of area and identification of local people's opinions and needs.

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8.2.3 Project: 'Desarrollo Forestal Participativo en los Andes'

In 1989 the FAO regional project 'Participatory Forestry Development (PFD) in the Andes' was im-

plemented with Netherlands funding, to coordinate the national participatory forestry development programmes in several Andean countries, notably Bolivia, Colombia, Ecuador and Peru. The project was subsequently extended to include Argentina and Chile.

Objective

The objective of the project was the promotion of participatory forestry development in the Andes in order to improve the livelihoods of rural communities and preserve the environment.

Strategy and methodology

In the first phase emphasis was on the promotion of the concept of participatory and community forestry development through awareness creation activities. In the second phase emphasis was given to the reinforcement of the capacities of the national institutes and agencies supporting community forestry activities. The focus was on the evaluation and systematisation of experiences, methodologies and agroforestry technologies and the development of training programmes. In the first phase the regional project formed an autonomous structure with coordination units in each of the participating countries, whereas in the second phase the regional project served as a source of human resources and materials for the reinforcement of the institutional frameworks and national development programmes of the participating agencies.

Results

By means of training activities, the dissemination of numerous publications and exchange of experiences, more than 1,000 people from 80 organisations were reached in the first phase. Campaigns were set up to promote the integration of trees in the production systems of the farming communities in the Andes. This resulted in the development of a regional programme of research and transfer of forestry development technologies and contributed to the incorporation of PFD into the national Tropical Forestry Action Plans.

In the second phase (42 months for the regional project and 30 months for the Chile project) about 300 institutions, private agencies, NGOs and projects in the five countries participated in the programme. Many of these have expressed the desire to continue along the established lines using their own resources, following completion of the project.

The project has identified, selected, systematised and evaluated about 45 experiences concerning small forest-based industries, communal forests, agroforestry practices, extension methods and gender-related activities. These have been synthesised in a series of publications to guide the planning of future PFD activities. In order to disseminate the contents and results of the evaluation, 12 national workshops were organised in the 5 countries, in which representatives from public institutions, NGOs and community organisations participated. The recommendations formulated at the workshops were taken up by the participating organisations in the PFD networks.

A total number of 43 events were organised for the preparation and implementation of the 5 permanent national training programmes. These dealt with participatory community planning, agroforestry practices,

extension communications and participatory extension methods. 1,045 technicians, trainers and extensionists belonging to over 300 organisations from 5 countries have benefited from these training events. The evaluation mission concluded that there was a need for, and interest in, continuation of the training programmes after the completion of the project, but that their development needed more time. There was also a need to introduce the contents of the PFD into the curricula of universities and similar institutions.

In the five countries 194 institutions, agencies and NGOs have become affiliated to national PFD networks, representing an important tool for future forestry development. The regional project has contributed to co-operation between national networks, but no regional network was formed that could continue the exchange in an organised manner. Recommendations made to the regional project and the Chile project, to the governmental institutions and to FAO stress the importance of continuation of project activities in order to reinforce the PFD networks. It is felt that the projects still have not been consolidated enough to safeguard future sustainability and that there is need for additional external support to the countries concerned, either through a new regional project or through a series of associated national projects. It is hoped that the 'Forest, Trees and People Programme' (FTPP) of the FAO, which is co-financed by the Netherlands, could play an important role in this endeavour.

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9. CONCLUSION

Tropical forestry development has been a major interest of the Netherlands since colonial times. Tropical forestry expertise was acquired in colonial times, and built upon in a variety of ways in the post-colonial period. Forestry development activities have been intensified since the late 1970s.

A clear pattern of budget allocations can be observed since 1985, with the commitment to allocate substantial sums for forestry activities within the framework of the Tropical Forestry Action Plan. At present, a total amount of 150 million NLG a year is allocated for Dutch forestry aid, of which in 1995, around 113 million NLG was actually disbursed.

Significant shifts in policy have taken place over the years, from an initial support for fuelwood and energy projects in sub-Saharan Africa in the 1970s to a more institutional orientation in the 1990s. In recent years, much more attention has been given to tropical rainforests and biodiversity aspects, in line with developments in international policy.

In keeping with the policy on tropical rainforests, forestry development activities are currently focused on such themes as:

- protection and sustainable management of forests with special attention to the conservation of primary tropical rainforest and the encouragement

of sustainable forest management;

- protection of watersheds through maintenance and rehabilitation of the forest;
- participatory forestry and agroforestry;
- relationships between forests, trees and energy;
- institutional support and strengthening of local and national governments and other implementing organisations, such as NGOs as well as local community based organisations within the framework of National Forestry Action Programmes, training and education of personnel, applied research and dissemination of information to policy level, to governments, the private sector and the general public.

Projects are implemented by many institutions and organisations. For the Netherlands, the FAO has long been a major implementing agency, especially for activities oriented towards institutional strengthening and social forestry. For projects oriented towards protection of forests, IUCN and WWF are important implementing agencies. Local governmental institutions and NGOs, sometimes supported by international organisations, are also actively participating in the implementation of Netherlands aid.

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ACRONYMS

BEMO	'Memorandum of appraisal'
BILANCE	Dutch NGO formed from the merger of CEBEMO and VASTENAKTIE
CARE	International NGO
CATIE	<i>Centro Agronomico Tropical de investigación y Enseñanza</i> (Tropical Agriculture Research and Teaching Centre, Costa Rica)
CELOS	Forest management system
CGIAR	<i>Centres du Groupe Consultatif pour la recherche agricole</i> Consultative Group on International Agricultural Research
CHS	CELOS Harvesting System
CIFOR	Centre for International Forestry Research
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CMS	CELOS Management System
COCOS	Interministerial Co-ordination Committee for Development Co-operation
CONIF-HOLANDA	Netherlands-funded research project
CSS	CELOS Silvicultural System
DAC	Development Assistance Committee

16. *Tweede Kamer* is the Second Chamber of the Netherlands Parliament, roughly parallel to the UK House of Commons.

DGIS	<i>Directoraat-Generaal Internationale Samenwerking</i> Directorate-General for International Co-operation	MFO	<i>Medefinancierings Organisatie</i> Co-financing non-governmental organisation
ESMAP	Energy Sector Management Assistance Programme	MOE	Ministry of Energy
EU	European Union	NGO	Non-governmental Organisation
FAO	Food and Agriculture Organisation of the United Nations	NLG	Dutch Guilder
FSC	Forest Stewardship Council	NOVIB	Netherlands Organisation for International Development Co-operation
FBSG	Forestry and Biodiversity Support Group (formerly FSG: Forestry Support Group)	ODA	Overseas development assistance
FTPP	Forest, Trees and People Programme	OECD	Organization for Economic Co-operation and Development
GEF	Global Environment Facility	PFD	Participatory Forestry Development
GNP	Gross National Product	ROS	Council for Development Co-operation
GRAAP	<i>Groupe de recherche et d'appui à l'autopromotion paysanne – animation methodology</i>	RIN	Netherlands Institute for Nature Management
HQ	Headquarters	SBB	<i>Staatsbosbeheer</i> , the Netherlands State Forest Service
HIVOS	Humanistic Institute for Development Co-operation	SNV	Netherlands Development Organisation
IAC	International Agricultural Centre	TFAP	Tropical Forestry Action Plan Programme
ICCO	Umbrella organisation of Protestant developmental NGOs	UK	United Kingdom
ICRAF	International Council for Research in Agroforestry	UN	United Nations
IDA	International Development Association	UNDP	United Nations Development Programme
IDMO	Project identification memorandum of the Netherlands Ministry of Foreign Affairs	UNEP	United Nations Environmental Programme
IIED	International Institute for Environment and Development	UNESCO	United Nations Educational, Scientific and Cultural Organisation
IKC-N	National Reference Centre for Nature Management	UNFPA	United Nations Fund for Population Activities
IOV	Operations Review Unit	UNICEF	United Nations Children's Fund
ITTO	International Tropical Timber Organization	WFP	World Food Programme
IUCN	International Union for the Conservation of Nature	WWF	World Wide Fund for Nature
KWAP	Kenya Woodfuel Agroforestry Programme		
KWDP	Kenya Woodfuel Development Programme		
LBB	<i>Dienst Lands Bosbeheer</i> , Surinam Forest Service		
LNV	Ministry of Agriculture, Nature management and Fisheries		
MAP	The Mass Awareness Programme of the Kenya Woodfuel Development Programme		

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Portugal

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1. FOREST HISTORY OF PORTUGAL

Portugal's forest history revolves round a process of deforestation and reforestation. By the eighteenth century, reclamation of land for agriculture, expansion of animal husbandry and increased demand for wood and timber resulted in the forested area falling to about 5.5% of the total land area. This trend was only reversed in the nineteenth century when tree planting received the necessary scientific and state support. The development of the forest administration, the transition of Crown forest estates to public administration, and the role of the 'commons' are well documented (Baeta Neves, 1978; Devy-Vareta, 1985; Neiva Vieira, 1990; Brouwer, 1993).

Three main historical factors lie behind the development of public forest administration: the royal exercise of hunting rights, the administration of timber during the Portuguese 'seaborne empire', and, in the nineteenth century, the scientific movement which emerged from 'the Enlightenment'. In feudal times, the forests were all on Crown land where kings and noblemen exercised their hunting rights, and until the nineteenth century the granting of hunting rights came under a department of the royal household. The expansion of the Portuguese empire from the early fifteenth century, an empire that literally floated in vessels connecting the coasts of Africa, Asia and Latin America with Lisbon (Boxer, 1969), resulted in such rapid depletion of the royal forests that timber exports were prohibited in 1471, and the Portuguese Navy became dependent on imports of timber from Flanders and the Baltic. This situation led to various attempts to control timber extraction, notably the creation in 1450 of an office to manage the royal Leiria forest, and several laws to stimulate reforestation as in 1565 (Neiva Vieira, 1991). In 1797 responsibility for reforestation of the royal forests was placed under the Navy's Treasury Council.

The third root of public forest administration occurred during the 'Enlightenment' period, when a more scientific approach to agriculture and forestry was developed. Portugal's first professional forester, José Bonifácio de Andrade e Silva, was trained in Germany and, on his return at the beginning of the nineteenth century, emphasised the need for reforestation, improved protection and management of existing forests, and reorganisation of the administration of the royal forests. The Forest Service emerged in 1824, three years after the separation of the king's household from the government. At first the Forest Service was organised on a decentralised basis with 19 regional 'circunscriptions',¹ but in 1872 it was centralised into three divisions (north, centre and south). An 1886 law led to the first major attempt to reafforest the commons.

In 1901, a law was passed which explicitly recognised the hydrology, watershed protection and potential climatic impacts of forestry, and defined three types of forestry regime according to the type of land tenure²

and the level of state intervention: in the 'total forestry regime' on state land, the Forestry Service was the manager; in the 'partial forestry regime' on communal (parish or municipal) land, management was shared by the Forest Service and the 'owners', and in the 'simple forestry regime' on private land, the owner was the manager. However, a 1903 law obliged the commons and private owners to submit to Forestry Service interventions, permitting the state to stabilise sand dunes in coastal areas, and reforest communal mountain areas without resort to expropriation. In 1918 the Forest Service was again reformed into a central bureau, with 8 circunscriptions, 18 regencies and 121 cantons.

Reafforestation became the main priority in the 1930s, especially through the 'Afforestation Plan of the Commons north of the Tagus River'. This involved the Forestry Service reafforesting some 383,000 ha over a 20-year period from 1935 (Mendonça, 1961), but the programme's momentum tailed off due to a number of problems associated with the state interventions. Recognising that private sector participation in the forestry effort needed to be stepped up, the Forestry Development Fund was created in 1945 to provide tree planting credits and subsidies. At first this had little impact, but following a reorganisation in 1966, some 240,000 ha were afforested up to 1986. Following entry into the EU in 1986, ECU 111 m. were provided to set up the Forestry Action Programme, which aimed to reafforest 400,000 ha over a ten year period. Instead, however, there has been a decline in the pine area because of fire and policy problems, and domestic sources are now insufficient to meet industrial demand.

Recently there has been considerable popular criticism (led by NGOs) of plantations on social and ecological grounds, especially of exotics like eucalyptus, and while forest policy has become more socially orientated, weak incentives and lack of R&D have constrained the development of more 'ecological plantations'.

2. PORTUGAL'S INVOLVEMENT IN TROPICAL FORESTRY

Portugal's involvement in tropical forestry can be broken down into three main phases: the period of extensive collection of plants by both Portuguese and foreign explorers and sailors, the period of tropical exploitation, and the period of exotic industrial plantations.

The first phase refers initially to a significant two-way transfer of vegetative material between Portugal and the tropics. As stated by João de Barros (1552), 'the Portuguese carry with them all the seeds and plants and other things with which they hope to settle and establish themselves.' Explorers and naturalists made an important contribution to European botanical knowledge. For example, the *Flora Cochinchinensis* by João Loureiro, published in 1790 by the Lisbon Academy of Sciences, was probably the first tropical flora to be published in the world. Systematic flora collections were made from Angola in the eighteenth century, sponsored by the 'philosophical voyages' of the Portuguese Crown to search for 'objects of natural history' for the Royal Cabinet of Ajuda (Mendonça, 1961). However, most of

1. Circunscriptions, regencies and cantons were territorial divisions of the Forest Service.

2. In 1988, of a total forested area of some 306,000 ha, some 85% was under private ownership, 12% on communal land, and 3% on state land.

the initiatives were sponsored either individually or by academic institutions, for example an Angolan collection by the Count of Ficalho (1884).

Reference should also be made to the botanical missions supported by the Cartographic Commission created in 1883, and afterwards by its successor the Colonial Geographic and Research Missions Board. The latter had a mandate 'to launch systematic studies for the scientific knowledge of tropical territories in an organised way in the fields of geology, botany, zoology, anthropology and ethnography.' Its work, mostly since 1940, has been most significant in furthering botanical knowledge, although two important forestry studies were those by Carvalho *et al.* (1956) on Guinea-Bissau and Gomes (1950) on East Timor. Local government initiatives have proved more significant for the advancement of the forest knowledge of the territories, for example studies by Welwitsch (cit. Hiern, 1900), Gomes e Sousa (1926) and Gossweiler (1953). In 1948, it was superseded by the Centre for Botanical Studies.

The second phase refers to the exploitation of tropical forest timber. The Portuguese presence in India resulted in imports of teak from the fifteenth century, while Brazil became an important timber supplier from the seventeenth century. Despite the great demand for ship construction, tropical timber exploitation remained relatively insignificant, with the exception of 'Brazilwood' (*Caesalpinia echinata*), which because of its demand in textile dyeing became almost extinct by the nineteenth century. However, the Napoleonic occupation of Portugal and transfer of the Portuguese capital to Brazil resulted in the development of a taste for mahogany (*Swetania macrophyllia*) furniture, and, following the Second World War, there was intensive exploitation of the African colonies, especially of the African mahoganies (*Khaya* and *Entandophragma* spp.).

This recognition of the value of tropical, and especially African, timber species led to the creation in 1948 of the Wood Anatomy and Technology Laboratory within the Colonial Geographic and Research Missions Board, and in 1950 of the Tropical Forestry Commission. The latter had a broad mandate, and included a division of forest economy. But lack of funding and staff meant that its activities were limited to a few narrow technical studies. The activities of the Wood Anatomy and Technology Laboratory were more significant and yielded valuable information on tropical wood characteristics (see for example, Ferreirinha, 1955; Orey & Sampayo, 1955-9).

The studies of the colonial administrations were generally disappointing. While legislation instructed them to map forest formations and develop management plans, most of their work was orientated to evaluating wood potential and establishing minimum harvesting diameters leading to selective felling regimes. One reason for this was the lack of university-level tropical forestry training until 1953, when a tropical forestry option was introduced at the Forest Faculty of the Technical University of Lisbon (although the option was dropped in 1983). In the Faculties of Agronomy and Forestry in the Universities of Angola and Mozambique, there was very little research on natural forest management research, most of the work being on exotic plantation species. Other factors included the weakness of the forestry sections (subordinate to

agriculture), the dominance of short-term objectives, and the attitude among settlers that forestry was an obstacle to agricultural expansion. Commercial exploitation of tropical timbers in the African colonies was most intense in the 15 years prior to independence in 1975.

The third phase, involving industrial plantations in the Portuguese colonies, began in the early 1950s, although a big plantation programme in highland Angola and several regional forestry experimental stations date from the 1930s (Queiroz, 1950). For example, the Railway Company of Benguela planted about 55,000 ha (up to 1970) of eucalyptus (*E. camaldulensis* and *E. saligna*) to feed the train boilers. In Angola and Mozambique, regional networks of experimental stations were set up focusing on exotics, especially eucalyptus and tropical pines, and the private sector was active in helping develop a strong timber industry based on the plantations. An exception to this trend was a tropical forestry research station set up in 1953 in a remote humid evergreen forest area of Angola, but this was abandoned in 1960 after some useful research on forest formation and structure by Henriques (1968).

A significant body of colonial legislation affected forestry in the African colonies from the 1930s, particularly the development of research and development institutions. While legislation often stressed sustainable forest management, the allocation of resources was insufficient to support the legal measures. However, colonial legislators had more impact on the wildlife and ecology conservation front; for example, a Coordinating Committee for Nature Protection was created in each colony.

3. STRUCTURE OF CO-OPERATION DELIVERY

Portuguese net official development aid amounted to US\$308 m. in 1994 and \$271 m. in 1995, representing 0.35% and 0.27% of GNP respectively (DAC Statistics, 1997). Of this about 30% was multilateral aid. The latter represented a considerable increase on previous years (when it tended to be about 20%), largely due to a rescheduling of foreign debt.

A major characteristic of Portuguese co-operation or, as it appears in the aid statistics, Public Assistance to Development, is its concentration on its five African ex-colonies, the so-called Portuguese-Speaking African Countries (PALOPS). Concern for the needs of the PALOPs has been expressed in policy statements since 1975, and led to the constitution of the 'Portuguese-Speaking Community' in 1996. The PALOPs accounted for 80% of bilateral aid in 1994, and over 90% in previous years.

3.1 Organisational structure of aid

The Portuguese aid structure is characterised by its complexity and the large number of actors. There are essentially three main types of agencies involved in aid delivery. First there is the Ministry of Foreign Affairs, which has overall responsibility for co-operation, and three government or state-supported agencies which deal specifically with co-operation issues:

Table 1. Contribution of Ministries to Portugal's co-operation programme 1989–94 (%)

Ministries & Sec. of State	1989	1990	1991	1992	1993	1994
Foreign Affairs	39.3	34.3	27.2	20.6	21.4	16.3
Finance	42.9	5.0	62.3	68.2	65.8	74.3
Justice	0.9	0.4	0.2	0.4	0.4	0.5
Defence and Internal Affairs	0.6	1.3	1.2	1.0	1.9	1.4
Planning & Territorial Administration	0.3	2.8	2.3	3.8	5.1	4.2
Public Works, Transports and Communications	1.7	0.2	1.1	0.1	0.2	—
Industry and Energy	0.3	0.1	—	0.1	0.1	—
Agriculture, Forestry & Fisheries	0.9	1.5	0.9	0.2	0.2	0.1
Employment & Social Security	2.1	1.7	1.3	0.8	0.8	0.6
Education	1.7	1.4	1.2	0.7	0.9	0.1
Health	1.5	1.2	1.1	1.0	0.9	1.0
Trade and Tourism	1.4	0.8	0.6	0.2	0.2	0.4
Environment	0.2	0.3	0.1	0.1	0.3	—
Youth & Social Communication	2.5	2.7	0.2	2.4	0.8	0.1
Culture	0.7	0.7	0.1	0.1	0.4	0.3
Other Ministries & Secretaries of State	0.3	0.6	0.2	0.3	0.6	0.7

(Source: Ministry of Foreign Affairs, 1995)

- the *Comissão Interministerial para a Cooperação* (Interministerial Commission for Co-operation – CIC), which advises the government on co-operation policy, and attempts to coordinate the various ministerial policies and planning efforts, but has no executive powers;
- the *Instituto da Cooperação Portuguesa* (Institute for Portuguese Co-operation – ICP), which is mainly responsible for project selection, financial approval, monitoring and evaluation (although it will often subcontract these functions out to other public agencies or the private sector) and has offices in the main aid partner countries; and
- the Economic Co-operation Fund, an autonomous but largely state-funded institution promoting the involvement of the business sector in the aid programme.

A second set of institutions have a tropical or developing countries' orientation and a significant role in the co-operation programme, but are not exclusively orientated towards it:

- the Camões Institute (IC), which comes under the Ministry of Foreign Affairs and is responsible for the external promotion of Portuguese culture and language;
- the Tropical Health Institute (IMT), which researches tropical diseases, promotes Portugal's health co-operation policy, and strengthens health institutions in the tropics; and
- the *Instituto de Investigação Científica Tropical* (Tropical Scientific Research Institute – IICT). This was created in 1982, absorbing the earlier colonial

research structures. Tropical forestry research comes under the *Centro de Estudos de Tecnologia Florestal* (Tropical Forest Technology Centre – CETF). However its research capacity has been limited by an unclear mandate and a problem of discontinuity as a result of having been under three different Ministries since 1982.

The third set of institutions do not have a specific tropical or co-operation mission, but are involved in the aid programme on an occasional basis. They include all the main Ministries, since each Ministry or State Secretariat allocates a proportion of its budget to co-operation, generally speaking reacting to specific aid requests (see Table 1). For example, the Ministry of Agriculture, Forestry and Fisheries³ has a Co-operation Division. Within the Ministry, there are two agencies with a significant role in forestry co-operation:

- the General Forestry Directorate officially represents Portugal's forestry co-operation interests, and has been an important implementing agency of tropical forestry projects. It also participates in Mixed Commissions, supports partner country TFAPs, and has represented Portugal on the Commission for Sustainable Development, ITTO, the Desertification Convention, and in the area of Agenda 21 implementation; and
- the *Estação Florestal Nacional* (National Forestry (research) Station – EFN). While its main mandate

3. There have been many changes in the name of the Ministry over the years; for many years it was simply the Ministry of Agriculture (subsuming forestry), as reflected in official aid data.

Table 2. Distribution of Portuguese co-operation^a by sector 1991–94 (%)

	1991	1992	1993	1994
I – Services and social infrastructure	68.8	67.8	63.4	64.0
• Investments in Education	46.07	46.26	35.55	38.19
• Health	7.68	6.76	6.37	3.76
• Public administration	4.47	4.26	16.05	17.46
• Other social services	10.53	10.54	5.44	4.54
II – Services and economic infrastructure	4.2	9.5	5.2	15.1
• Transportation and Communications	3.41	8.62	3.71	12.19
• Energy	0.25	0.63	1.49	1.64
• Other economic infrastructures	0.57	0.27	0.01	0.23
III – Productive sectors	10.2	13.4	13.2	11.3
• Agriculture	3.67	3.41	2.23	2.18
• Industry	1.54	1.06	4.40	2.39
• Construction and building	1.44	0.79	2.58	0.81
• Commerce and Banking services	1.12	6.48	2.05	2.90
• Tourism	2.14	1.56	1.93	3.04
• Other	0.33	0.12	0.00	0.01
IV – Environment	1.0	2.5	0.9	...
V – Emergency food aid	0.1	0.1	8.5	1.6
VI – Other non-specified aid	15.7	6.6	8.8	9.0

^a Public assistance to development less financial flows.

(Source: Ministry of Foreign Affairs, 1995)

is domestic forestry research, the EFN includes tropical forestry co-operation in its mission statement, and has several staff with appropriate experience gained in the ex-colonies. It has conducted research or made advisory contributions to project missions in such areas as forest and pasture ecology, forest protection and management, species selection and control, and forest dynamics. However, EFN's co-operation activities, particularly in the area of training, have stemmed more from the initiatives of individual staff than as a result of Ministerial level planning.

From Table 1, it can be seen that the Ministry of Finance's share of the aid programme of the Ministry of Finance increased steadily from 43% to 74% in the six years to 1994, while that of the Ministry of Foreign Affairs declined from 39% to 16%. Table 1 also reveals the low aid allocations of the Ministry of Agriculture, Forestry and Fisheries, and the Ministry of the Environment. However, the Ministerial distribution is not a reliable indicator of the sectoral breakdown of the aid programme, since most of the aid comes under the Ministries of Foreign Affairs and Finance. Table 2 shows that the contribution of the Ministry of Education, for example, bears no relation to the sectoral importance of education. Forestry projects have generally come under either Agriculture or Environment in this classification.

Many of the *ad hoc* co-operation activities of the Ministries, particularly in the case of forestry and the environment, are financed from 'current expense' accounts, which makes it difficult to trace the activities and amounts involved. Also, apart from the Ministries, there are a range of other actors like universities, city councils and NGOs with financial autonomy. The aid activities of these organisations are often not included in official statistics. The decentralised (institutionally as opposed to geographically) and administratively complex⁴ aid system makes it difficult to establish the true sectoral breakdown.

It is apparent from the legislative history involving the creation and dissolution of various aid institutions, including a Ministry of Co-operation which was created in 1975 but lasted less than a year, that there has been an on-going debate about the relative merits of a more vertical and hierarchical system as opposed to the existing 'horizontal' system. A further change in the aid structure was expected in 1997, when it was thought the state budget would earmark a co-operation budget line for each Ministry. This should improve accounting and coordination.

4. The state accounting system is based on 'expense items' rather than projects, making it difficult to calculate the expenditure per project.

3.2 Actors in aid delivery

While there is no official forestry co-operation adviser, considerable expertise is located in the EFN, the IICT and the universities. Of 18 projects identified as having a forestry component (see Section 5) the main Portuguese agencies involved in aid delivery were EFN (involved in 8 projects), the Forestry Directorate (4 projects), the Agronomy Institute of the Technical University of Lisbon (2), the IICT (2), and the ICP, the Nature Conservation Institute, and the Ministry of the Environment (one each). Consultancy companies were not used at all, although they figure in other sectoral co-operation, and Portuguese companies have been involved in some major EU forestry programmes in, for example, Brazil and Guinea-Conakry.

For projects financed by the ICP, project management and monitoring are carried out by in-country desk officers of the Division of Agriculture of the ICP, and for projects financed through the Ministry of Agriculture, Forestry and Fisheries, through the head of the Co-operation Division.

NGOs in Portugal have not had a major role or impact on forestry and environmental aid. There has been relatively limited state encouragement, for example through the provision of grants or subsidies, for them to get involved in tropical forestry. Portuguese NGOs tend to focus on health, education and other social service projects.

3.3 Multilateral forestry initiatives

Although Portugal is well represented in various international fora, and contributes regularly to GEF, a UNDP Trust Fund for the PALOPs, SADC, UNESCO, etc., there is no evidence of a specifically forestry commitment, apart from a June 1996 'Expert Meeting on Desertification, Rehabilitation and Reforestation of Degraded Lands' with FAO, Cape Verde and Senegal. This stemmed from the Desertification Convention.

4. STRATEGY OF FORESTRY CO-OPERATION

4.1 Sectoral priorities

The main aid policy statement (MNE, 1995) lists the main co-operation objectives as follows:

- the promotion of peace and the resolution of conflicts by dialogue;
- the consolidation of democracy, the legal system and respect for human rights;
- the search for sustainable and participatory development;
- the gradual integration of developing countries into the world economy;
- the tackling of poverty, especially in the PALOPs.

These priorities are influenced by Portugal's participation in various multilateral fora, such as the EU Lomé Convention discussions, the DAC and various UN and Bretton Woods institutions.

Particular emphasis is placed on reinforcing the administrative and economic structures or institutional capacity of recipient countries to help them embark on a process of sustainable development. A recent analysis

of Portuguese co-operation (Ribeiro, 1995) found that priority has been given to three main areas: improvement of the human resource basis of sustainable development, 'entrepreneurial' co-operation, and military co-operation.

The priority to supporting the institutional, and especially human resource, basis of development is reflected in the aid statistics. Table 2 showed that co-operation has been dominated by social infrastructure and services, especially education, with relatively little aid going to the 'productive' sector. Within the latter, agriculture, which includes forestry, declined in relative importance over the 1991-4 period from being the most important category in the sector in 1991 with 3.7% of total co-operation, to fourth in 1994 with 2.2%.

4.2 Tropical forestry 'policy'

Within the agrarian sector, the priorities have reflected the general co-operation priorities, with most actions orientated towards developing human and institutional capacity, for example an emphasis on training, and technical assistance directed towards the process of institutional consolidation. While in the earlier years of the aid programme the emphasis was on longer-term Portuguese technical co-operation, fears of creating dependency have resulted in a shift to short-term missions and scholarships.

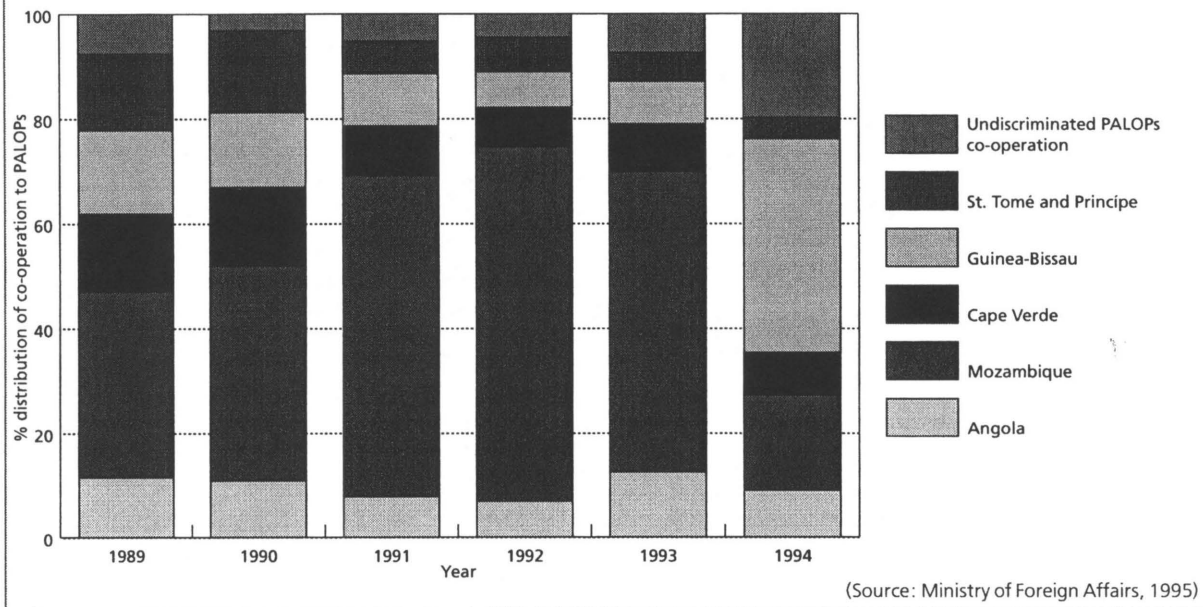
There have been no policy statements specifically on tropical forestry beyond *ad hoc* statements during visits by Portuguese Ministers of Agriculture to Africa. For example, at a meeting of the Ministers of Agriculture of Portugal and the PALOPs, sustainable natural resource management and biodiversity conservation were given great importance, but also that more aid and better planning were needed. Portugal recognised the need for comprehensive and coordinated action with its partners in tropical forestry actions, and committed itself to supporting the national TFAP processes. In order to further consultation and coordination, the Ministers agreed the need for annual meetings and a coordinated approach to implementing the forestry actions in Agenda 21 (Minutes of the First Meeting of Ministers of Portuguese-speaking countries, Luanda, 16-17 March 1994). On a mission to Guinea-Bissau, Portugal's Minister of Agriculture also emphasised the importance of tropical forests, and Portugal's desire to help the Guinea-Bissau Forestry Directorate formulate its TFAP (Minutes of the visit of the Secretary of State for Agriculture to Guinea-Bissau, 6-10 May 1991).

4.3 Reasons for a low priority for tropical forestry

According to the data on identifiable tropical forestry projects in section 5, it can be estimated that the annual average commitment to forestry projects between 1989 and 1996 was about \$420,000. This represents an average of only about 0.2% of bilateral co-operation over these years. There are various possible explanations for the relatively *ad hoc* nature of forestry co-operation activities, and the low importance given to forestry in the Portuguese aid programme. These include (in the view of the senior author):

- the tendency to take a short-term policy view as a

Figure 1. Distribution of co-operation between the PALOPs



result of the country's relatively recent history of economic and political instability;

- the institutional, social and political difficulties of promoting forestry in Portugal's two most important ex-colonies, Angola and Mozambique, because of the prolonged civil wars;
- the relatively recent (from the 1980s) consolidation of political and institutional relationships with the PALOPs;
- a ten-year gap in tropical forestry teaching in Portugal, and lack of appropriate tropical forestry research, including little involvement with such organisations as CIFOR, ITTO, etc.;
- the relatively unimportant amount of trade in tropical timber, although this is increasing;
- the lack of quality information on sectoral problems in the PALOPs to feed into policy formulation;
- the lack of informed debate, stemming from poor information and inadequate policy discussion mechanisms, for example between aid negotiators and institutions in the forest sector.

However, it appears that two factors may have been particularly significant in the disappointing coherence and lack of importance of forestry in Portugal's co-operation policy. First there were a series of influential policy discussions involving aid officials, academics and NGOs in the run-up to the UNCED Conference. At these the 'root causes' of tropical deforestation were discussed. After analysing several case studies,⁵ one of the conclusions reached was that deforestation was related more to agricultural problems and weak state institutional capacity, particularly as regards land tenure issues, than to forest sector policies and problems.

This might partly explain the almost complete absence of mainstream forestry activities like sustainable forest management, reforestation, agroforestry or

even 'defensive' biodiversity conservation among the projects supported. Most 'forestry' projects have been concerned with institution building or human resource development, in line with the general trend. At the same time, the early policy-type statements from the above-mentioned meetings in Africa imply an acceptance of the principles enunciated in the TFAPs, such as the need for aid to encourage the environmental and social dimensions of tropical forestry.

The second factor has been the division of domestic sectoral responsibilities: productive forestry comes under the Ministry of Agriculture, Forestry and Fisheries; conservation aspects and national parks under the Ministry of the Environment; and forest fire control under the Ministry of the Interior. The lack of a clear owner of 'forestry' in Portugal has arguably spilled over to the tropical front.

4.4 Geographical priorities

As already stated, there is an overwhelming concentration of Portuguese aid on the 5 PALOPs. The proportion of the aid programme going to other countries, mainly Brazil, China, Tanzania, Morocco, Tunisia and Argentina, has slightly increased in recent years, but was still only 20% of bilateral aid in 1994.

Figure 1 indicates considerable fluidity in the PALOPs' relative importance. For example, Mozambique was easily the most important aid recipient from 1989 to 1993, and from 1991 to 1993 absorbed about 60% or more of total aid to the PALOPs. But in 1994 its share dropped to less than 20%, while Guinea-Bissau, having previously been allocated 15% or less of PALOPs' aid (and in 1993 only about 8%), rose to 40% of the PALOPs' budget.

Within the agrarian sector, however, the picture is rather different, with Angola receiving most aid both in 1993 and 1994, followed closely by Guinea Bissau. Mozambique ranked only fourth in both years. Thus country prioritisation for forestry bears little resemblance to the overall distribution of aid.

5. No report was available from these discussions; the discussion here is based on the memory of the senior author.

5. PROJECTS FUNDED BY TYPE AND GEOGRAPHICAL DISTRIBUTION

Because of the complexity of the aid structure, it was difficult to obtain a comprehensive list of projects. Since 1989, only 18 forestry 'projects' could be identified. As can be seen from Table 3, one country, Guinea-Bissau, was a beneficiary of most of the projects, while Mozambique and Angola only benefited from the relatively modest training activities that resulted from personal initiatives on the part of EFN staff.

As can be seen from Table 3, most of the projects involved institutional strengthening through human resource development, in accordance with the overall aid strategy. Other projects were of a cross-sectoral nature, or concerned research, forest industry development and, in one case, biodiversity conservation. Most of the projects entailed very modest costs, in so far as this was possible to estimate, with the exception of a research capacity-building project in Guinea-Bissau. However, the costs shown in Table 3 underestimate the true costs involved. For example, in the case of training, the costs shown are only the direct scholarship costs.

Forestry training conducted by the EFN has covered, among other topics, forest mensuration, beekeeping,

taxation, use of computers in harvest control, principles of forest policy, forest protection, forest statistics, hydrobiology and freshwater management, and isozymes in forest breeding work). Scholarships to study in Portugal are usually provided by the ICP.

6. RESEARCH AND TRAINING

Several Portuguese institutions have a forestry research capacity, including staff with tropical experience:

- the EFN (see section 3) conducts research in the areas of forest science, wood science and technology, forest ecology and protection, and natural resources management;
- the CETF (see section 3) specialises in wood technology, particularly wood chemistry and anatomy;
- the Forestry Department of the University of Trás-os-Montes e Alto Douro conducts research in the area of tree breeding and wood qualification, but has no on-going tropical work;
- the Department of Forestry Exploration of the Higher Agrarian School of Coimbra specialises in forest management, forest economics and tax policy;
- the Laboratory of Civil Engineering in Lisbon is well-equipped to conduct research in physical and

Table 3. Portuguese tropical forestry initiatives 1989–96

COUNTRY	PROJECT DESCRIPTION	TYPE (EU code)	DURATION	COMMITMENT US\$000
Guinea-Bissau	Analysis of forest industry (part of TFAP)	10	1996	480
Guinea-Bissau	Uniforms to forest guards	10	1995	19
Guinea-Bissau	Lagoon zoning and management	30	1995	32
Guinea-Bissau	Support to EU cashew research project	50	1990–6	69
Guinea-Bissau	Fallow enrichment/soil fertility in farming systems	50	1993–6	77
Guinea-Bissau	Fruit/hortic. research, infrastructure development	60/50	1989–96	>2244
Guinea-Bissau	Forestry training	60	1995	9.7
Guinea-Bissau	Evaluation of Agrarian Research Institute	60	1996	8.5
Guinea-Bissau	Forestry training	60	1989–96	22
Guinea-Bissau	Forestry training	60	1996	2.7
Mozambique	Forestry training	60	1996	5.8
Mozambique	Forestry training	60	1996	1.1
Mozambique	Forestry personnel exchange/training	60	1997 planned	16
Angola	Forestry training	60	1990	14
Angola	Forestry training	60	1996	2.7
Cape Verde	Agroforestry teaching support	60	1993–6	288
Cape Verde	Mapping and zoning	60/70	1990–3	97
St Tomé & Príncipe	Forestry training	70	1996	5.5

EU Codes: 10 Forest industry
 30 Conservation and protection of natural resources
 50 Research projects
 60 Institutional strengthening
 70 Transectoral projects

mechanical timber properties, and has co-operated with similar laboratories in the PALOPs.

Portugal has not taken an active part in the CGIAR system, and lack of involvement with CIFOR, for example, may have weakened its knowledge base for effective sectoral interventions.

On the training side, it is evident that training is a priority in Portuguese forestry aid, and the activities of EFN and the General Forestry Directorate have already been mentioned. Other significant actors in forestry training in Portugal include:

- the Forest Department of the Higher Agronomy Institute of the Technical University of Lisbon, which supports the teaching requirements of a BSc in Agroforestry in Cape Verde, and after a 10 year gap, plans to reactivate a course in tropical forestry; and
- the Higher Agrarian School of Coimbra runs a BSc in forest management and, like EFN, has been involved in training African foresters.

7. PROJECT CYCLE METHODOLOGY

7.1 Project identification and appraisal

Project identification occurs in the PALOPs in the form of demands or requests for projects by state organisations. These are presented to the Mixed Commissions that meet each year under the auspices of the Ministry of Foreign Affairs in each country. These assess requests and convert them into project proposals listing the objectives, justification, and resources required. Project identification is therefore essentially a reactive process with little attempt to influence national policy priorities, at least in the case of forestry. This may be related to the absence of environmental or forestry advisers in the Mixed Commissions.

The project then goes to the Ministry of Foreign Affairs for appraisal. In general, the 'integrated approach' as described in the EC's 1993 Project Cycle Management manual, and including the logical framework, is used to appraise and design projects. In the case of forestry projects, technical advice is called in from the various institutions with tropical forestry expertise, particularly the EFN and the CETF (see section 3), or from others with less specialised knowledge. In the case of requests for forestry training, the EFN looks at the feasibility in terms of the financing needed, evaluation of the trainee and department where the training will take place, etc.

7.2 Monitoring and evaluation

Monitoring and evaluation are normally limited to reports from project missions, ICP desk officers or the Co-operation Division of the Ministry of Agriculture, Forestry and Fisheries. Typical comments in reports were 'mission accomplished according to objectives', 'poor support by local institutions', 'insufficient funding', etc. The most common criticisms referred to:

- lack of debriefing following missions;
- weakness of the follow-up after missions (there has

been a tendency that once a report is presented, for example on institutional strengthening, to assume the aid recipient country has the capacity to implement the recommendations).

Only in one case, the fruit and horticultural research institution-building project in Guinea-Bissau, was there reference to an external evaluation.

8. PROJECT REVIEW

8.1 Guinea-Bissau Forest Industry Project

This two-year project represented Portugal's main contribution to Guinea-Bissau's TFAP, with an estimated commitment (in 1996) of US \$480,000. The counterpart organisations were to be the Ministries of Commerce and Industry, and the Ministry of Rural Development and Agriculture (General Directorate of Forestry and Wildlife). The project aimed to tackle some of Guinea-Bissau's main problems in the forest sector, such as those surrounding the over-exploitation of primary species, the maintenance of sawmilling equipment, and the quality of finished timber products. Its specific objectives were to draw up plans for restructuring viable forest industries and closing those that were not viable; to reduce pressure on primary species by increasing the (processed) value of secondary timber species; to train nationals in sawmill skills; and to set up a professional association of sawmillers and loggers in order to improve the efficiency of the industry as it is modernised and privatised, and for consultation with the government, especially on trade issues.

The main activities were to include financial and technical auditing of all forest industries; tests on the plywood potential of secondary species and other technological studies (to be carried out in Portugal); technical-economic feasibility studies; an export-market study for high value wood products; and sandwich courses in sawmilling and furniture making. The training was to take place in Portugal, Brazil and the partner country. Portuguese technical assistance was to be an important component of the project, with various missions to Guinea-Bissau, a mission to West Africa, market studies, and laboratory analysis of secondary species. The main Guinea-Bissau contribution was to be the provision of a university graduate, who, once trained, would provide technical follow-up.

However the project has been jeopardised because the programmed EU contribution to the project failed to materialise (since Guinea-Bissau did not include the project among its priorities in the Lomé round of negotiations). Consequently Portugal spent only \$48,000 in 1996 in the form of two exploratory problem-identification and design missions, and has only earmarked \$26,000 for the project in 1997.

9. CONCLUSION

Portugal's aid programme is orientated mainly to the five African Portuguese-speaking countries, which absorbed 80% of its bilateral aid in 1994. The large number of actors in the aid structure, and the lack of a central coordinating and decision-making body, mean that the system is flexible but may inhibit coordination,

efficiency and evaluation. These factors also make it difficult to develop coherent aid policies. Many aid activities stem from different Ministries. Especially in the areas of agriculture, forestry and the environment, they are of an *ad hoc* nature and are listed under 'current expenses' in their budgets. This makes it difficult to account for the true values involved.

Forestry has had a low priority in the Portuguese aid programme; it can be estimated that forestry aid commitments have represented about 0.2% of average bilateral aid over recent years. One possible reason for this has been the belief that extra-sectoral causes of deforestation are more important than sectoral causes; for example, a meeting in the run-up to the UNCED Conference concluded that efforts to alleviate deforestation would be best directed at farming improvements. Another possible reason has been the lack of a clear institutional 'owner' of forestry on the domestic front.

According to the nature of the projects supported rather than to any policy statements, the main priorities in forestry aid, in accordance with the general aid priorities, have proved to be institution-building and human resource development. There has been negligible action in areas such as forest protection, reforestation and natural forest management.

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ACRONYMS

CETF	Centro de Estudos de Tecnologia Florestal (Tropical Forest Technology Centre)
CGIAR	Consultative Group on International Agricultural Research
CIC	Comissão Interministerial para a Cooperação (Inter-Ministerial Commission for Co-operation)
CIFOR	Centre for International Forestry Research
EFN	Estação Florestal Nacional (National Forestry Research Station)
Es	Escudos
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
GEF	Global Environment Facility
GNP	Gross National Product
IC	Camões Institute
ICP	Instituto da Cooperação Portuguesa (Institute for Portuguese Co-operation)
IICT	Instituto de Investigação Científica Tropical (Tropical Scientific Research Institute)
IMT	Tropical Health Institute
ITTO	International Tropical Timber Organization
MNE	Ministério dos Negócios Estrangeiros
NGO	Non-Governmental Organisation
PALOP	Países Africanos de Língua Oficial Portuguesa (Portuguese-Speaking African Countries)
SADC	Southern African Development Council
TFAP	Tropical Forestry Action Plan
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation

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Spain

Helen Groome and Michael Richards

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1. SPAIN'S FORESTRY HISTORY

1.1 Deforestation

Spain's forestry history is dominated by a gradual decline in forest area and the struggle to recover some of this for forestry. Both on the northern Atlantic fringe, characterised by temperate woods of beech (*Fagus sylvatica*), oak (*Quercus robur*, *Q. pyrenaica*, *Q. petraea*), ash (*Fraxinus excelsior*), etc., and in the drier, warmer Mediterranean areas, where cork and holm oak formations (*Quercus suber* and *Q. ilex rotundifolia*) predominate, deforestation had led to the loss of about 50% of tree cover by Roman times and only 15% remained by the nineteenth century (Bauer, 1980). Due to Spain's mountainous geography and relatively low population density, these remnants have been only partially exploited.

Many processes have contributed to deforestation, among them:

- shipbuilding demand: the Spanish navy demanded vast quantities of wood from the Middle Ages onwards, and exerted 'special rights' over timber extraction;
- the expansion of farming (especially livestock grazing) and charcoal production;
- the reconquest of Spain from the Arabs by Christian monarchs (amongst other wars);
- privatisation of the commons in the nineteenth century (Bauer, 1980; Muñoz Goyanes, 1982).
- climate change, according to certain historians like Thirgood (1981).

Probably the main impact has been from industrialisation and demand for firewood and charcoal. Demand for naval timber mostly affected coastal and riparian areas due to the need to transport huge quantities of large logs and timber; industrialisation was centred in parts of the Basque region, Asturias, and other ports to the west and south; the Reconquest mainly affected the Mediterranean areas; and privatising the commons affected most of the country.

Spain has a long history of forest protection and reforestation. According to some historians, its woodlands were at their best during the Arab occupation when great efforts were made to cultivate and conserve trees. Attempts to protect woodland and promote planting also appear in legislation in the Middle Ages: laws were passed regulating how many trees could be felled and by whom; obliging each inhabitant to plant a given number of trees in a set time span; and controlling rights to collect firewood and make charcoal. But these laws had minimal impacts because of extreme poverty and shortages of trained foresters (until the nineteenth century), nurseries, and finance.

1.2 Emerging forestry development models

Greater progress was made when an organised forest administration, college and forest engineer corps were created in 1837, 1847 and 1853 respectively (Gómez Mendoza, 1982). These highly centralised bodies were heavily influenced by German forestry principles – some of Spain's first foresters attended the Heinrich Cotta

forestry school in Göttingen.

The first generations of professional foresters recognised the non-market values of forests and the importance of such factors as natural regeneration. This led them to oppose privatisation of forest land, to proceed cautiously on reforestation, and to centre their attention on basic botanical or wider natural science-based research. Despite calls by some of them to adapt elements of German silvicultural theory and practice, Central European forestry models prevailed in Spain – these involved an early dasonomic approach to high forest management in which the annual cut was equated to growth.

Whereas this might have been appropriate for the Atlantic fringe, it was not suitable for the slow-growing Mediterranean forests. Large areas that still preserved the open savannah-type woodland parks (*dehesas*), in which holm and cork oaks provided a range of forest products such as charcoal, cork, firewood and forage (acorns and pasture for free-range pigs and sheep), but rarely timber, were considered an anachronism by many foresters, and some *dehesas* were replaced with plantations of quick growing timber species such as *Eucalyptus* spp.

Since the nineteenth century, forestry practice has reflected the outcome of an on-going conflict between two models of forest policy: one based on sustainable, multiple-use forestry, and the other on single-purpose timber or pulp production. Although foresters wrote in favour of 'natural' silvicultural techniques and the need to maintain environmental services, the search for quick returns and the pulp/paper industry gradually imposed itself during the twentieth century. Whereas in 1955, 93% of domestic timber was used in solid wood industries, by 1987 this had dropped to only 44%, the rest being absorbed by the pulp, paper and agglomerated board industries. The quality of timber processing also fell.

1.3 Privatisation of the commons and growing environmental awareness

The other great conflict in Spanish forestry history has been the struggle between common and private land ownership. Historically many lands were 'owned' by parish communities or belonged to a given locality.¹ The sale of many commons areas in the nineteenth century caused great hardship and encouraged poaching on previously held commons. During the eighteenth and nineteenth centuries, parish councils also usurped commoners' rights, claiming the land belonged to the 'villagers' council' rather than to the 'villagers'. This paved the way for massive reforestation projects, particularly from 1940 to 1980, managed by local branches of the State forest administration. The imposition of fast-growing conifer plantations led to negative impacts on employment (especially from loss of grazing), the landscape and the environment, leading for example to increased pests and diseases, forest fires, soil erosion, habitat and biodiversity loss (Groome, 1990).

The process of political devolution since 1975, leading to the decentralisation of forestry activities,

1. Currently about 68% of woodland belongs to individual private owners, and 32% to a variety of public bodies.

and increased environmental awareness among the general public resulted in a policy shift to multiple-use and species forestry, and thus towards social and environmental objectives² (although in practice this varies from one region to another). In recognition of the recreational and environmental potential of forests, sectoral responsibility was shifted in 1996 from the Ministry of Agriculture to the Ministry of Environment, but in some Regional Governments forestry issues have remained under agriculture.

2. HISTORY OF INVOLVEMENT IN TROPICAL FORESTRY

(general sources: Aranda, 1995; Bauer, 1980; Perpiña, 1945)

2.1 Perceptions of tropical forestry resources

Spain's attitude to tropical forestry has been influenced by its perceptions of tropical forest resources as a source of:

- quality timber, increasingly scarce at home;
- genetic material for reforestation (in the event, the two main imported species/genus employed were Californian *Pinus radiata* and various species of *Eucalyptus*);
- private sector development: various companies have transferred their planting activities to the tropics, like the pulp and paper manufacturer Torras Hostench, SA, which, taking advantage of incentives from the Brazilian Government, bought 60,000 ha and planted at least half of this with conifers.

2.2 Shipbuilding demand

Spain's involvement in tropical forestry is also closely linked to its merchant and military navy or *armada*. Overseas commerce increased from the thirteenth century onwards and relied heavily on sea transport. Shipbuilding consumed huge amounts of wood, initially extracted from the coastal fringes around the ports and along the major rivers. The navy controlled and regulated access to timber.

Gradually, however, suitable timber resources became depleted. By the late sixteenth century, the timber needed to build Spanish ships amounted to some 300,000 tons of wood, the equivalent of six million m³ of roundwood. Since the end of the fifteenth century, when Spanish colonists first reached America, teak, mahogany, Spanish cedar and other species were imported for naval use. Previously timber had been imported from the Baltic and Central Europe, but tropical sources soon became important, and naval officials were sent out to undertake timber surveys. For example, a plan was drawn up at the end of the eighteenth century to extract and import 70,000 m³ a

year from Cuba. Large quantities of timber were also imported from the Philippines; between 1860 and 1885, 1.5 m. trees were felled in public woodland. As a colony, Equatorial Guinea supplied timber well into the 20th century; in the 1920s and 1930s, wood represented at least 70% of its total export value, although over half of this was exported to other countries.

Spain also founded shipyards in its colonies, for example in Haiti, the Philippines (Cavite) and Cuba (Havana). Cuba became increasingly important: over 60 ships were launched from Havana between 1730 and 1780. During the eighteenth century, 25% of Spain's ships were built abroad. Again the Spanish Navy was given special rights over timber in the colonies; for example, in the case of Cuba it had rights over all timber trees within 220 km of Havana.

Timber exploitation for naval purposes was a decisive factor in the deforestation of Cuba, Haiti and the Philippines. However, tropical deforestation in Spanish colonies also resulted from clearance for agricultural plantations, above all for sugar and tobacco in Cuba, rice, sugar and tobacco in the Philippines, and coffee, cocoa and coconuts in Equatorial Guinea.

2.3 Forest management models and early attempts to intervene in the Tropics

With the introduction of a centralised forest administration in Spain from 1837, and the creation of the Ministry of Overseas Issues in 1863, more formal attempts were made to govern forestry interests in the colonies. Foresters were sent out to control extraction and make inventories. Although the need for widespread replanting was acknowledged, few resources were devoted to this.

The inclinations of these early foresters led to a cautious approach to reforestation in the tropics and an emphasis on basic and especially botanical/taxonomic research. Works of a high technical quality such as 'An Introduction to the Forest Flora of the Philippine Archipelago' were produced. 'The Forest Problem of Latin America and its Influence on Flooding' indicated an early appreciation of environmental externalities.

Another noticeable impact of colonial forest administration was the shift from highly selective felling to utilisation of a wider range of species. This affected reforestation models. However, the loss of Spain's American and Philippine colonies in the nineteenth century, and the influence of foreign-owned corporate timber interests in Equatorial Guinea, meant that little overall success was achieved in tropical afforestation.

2.4 Early 'aid' initiatives linked to commerce and training

Some early forestry 'aid' initiatives indicate the role of Spanish commercial and other domestic interests. For example, trade and economic agreements with Argentina and Chile in 1977 highlighted mutually beneficial research, including the 'Forest and Paper Industries', while there were several training projects in the cellulose and paper industries in the early 1980s. Another early project was the Andean Centre for Rural Development in Bolivia, which was linked to a nearby project for the settlement of Spanish families.

2. For example, many think there is a need for an economic mechanism for incorporating non-market values into forest accounts in order to make sustainable forestry a viable prospect for both private and public owners.

In 1975 the Spanish Government set up the International Centre for Training in Environmental Sciences in Madrid as an international environmental training centre for Spanish-speaking countries, but this was disbanded in the early 1980s. Other early projects like the 'Study and design of new development models for the Amazon' (1981–3) and an Environmental Education project in Peru indicate a growing environmental interest. In 1981 the International Centre for Training in Environmental Science developed a state-sponsored programme of scientific co-operation with Latin America, laying the basis for several later environmental and forestry projects.

Spain's dependence on the tropical timber trade has meant a continuing influence on tropical forest resources, despite the loss of its tropical colonies. Tropical logs represented 86% of all logs imported in 1970, and 69% in 1987, while tropical timber imports rose from 7% to 28% of sawn wood imports over the same period. Also, as already mentioned, several Spanish companies have started forest industry operations in the tropics, planting fast growing species for their pulp and paper industries.

3. STRUCTURE OF AID DELIVERY

3.1. Organisation of the aid programme

Spain introduced a formal aid programme only in 1985, when the *Secretario de Estado para la Cooperación Internacional y para Iberoamerica* (State Secretariat for International Co-operation and for Latin America – SECIPI) was created, and resources were allocated annually to aid in the national budget. It must be remembered that Spain was on the DAC list of developing countries until 1983, and only became a member of DAC in 1991. Prior to 1985, aid was organised through the *Instituto para la Cooperación con Ibero-América* (Institute for Co-operation with Latin America – ICI), as well as various research institutions and a number of Ministries. Different bilateral Commissions were set up, mainly with Latin American countries, such as the 'Science and Technology', 'Economy and Trade' and 'Cultural' Commissions.

Figure 1 reveals a complex structure of Spanish aid; SECIPI in the *Ministerio de Asuntos Exteriores* (Ministry of Foreign Affairs – MAE) has to coordinate the efforts of over a dozen Ministries and their various departments. For example, in 1996 at least 19 different government bodies were involved in official forestry and environmental aid. SECIPI directly manages only about 10% of the overall aid budget (OECD, 1994). To facilitate coordination, the *Comisión Interministerial de Cooperación para el Desarrollo* (Interministerial Commission for International Co-operation – CICI) was set up in 1986, chaired by the Foreign Minister.

The *Agencia Española de Cooperación Internacional* (Spanish Agency for International Co-operation – AEICI) was established in 1988 to implement bilateral aid. Following a major reform in 1995, it now comprises two main departments: that responsible for Latin American aid (ICI) and that responsible for Arab, Mediterranean and (other) developing countries (IC-MAMPD). AEICI implements most bilateral grants with the help of 28 Technical Co-operation Offices: 20 in

Latin America, 3 in Arab countries, 3 in Africa and 2 in Asia. It also runs 9 cultural centres and 3 training centres in Latin America, and has 5 'special offices' in Equatorial Guinea, Algeria, Egypt, Jordan and Mauritania. In 1989 the Planning and Evaluation Office (OPE) was established within SECIPI to prepare and monitor the Annual International Co-operation Plan (PACI), the first of which was published in 1987. The OPE is also in charge of the programme of 'subsidies' to development NGOs.

The complexity of the aid structure prompted the Spanish Parliament to recommend that a single body should direct all aid activities, and that a general law regulating Spain's development co-operation activities be introduced (*Congreso de los Diputados*, 1992). NGOs have echoed the latter recommendation (Intermon, 1996), calling for the creation of a State Secretariat for Development Co-operation. This was still being discussed in 1996.

3.2 Components of Official Development Assistance

Spanish aid statistics distinguish between the wider term 'international co-operation' and 'official development assistance' (oda). The latter refers to projects or co-operation funded by public money, donations, or loans with at least a 25% grant element, and where the aim is to enhance economic development and standards of living in the DAC list of developing countries.

In this chapter, the term 'aid' is used interchangeably with 'official development assistance' when referring to Spanish aid statistics. Programmed aid, according to the 1995 and 1996 International Co-operation Plans, came to Ptas. 191 billion (equivalent to ECU 1.2 billion in 1996) in both 1995 and 1996 (representing 0.28% and 0.26% of GNP respectively), while actual aid expenditure (from data provided by MAE) was Ptas. 168 billion in 1995 (0.24% of GNP) and Ptas. 160 billion in 1996 (0.22% of GNP). Table 1 presents the evolution of Spanish aid from 1991 to 1996 according to actual expenditure flows, and broken down according to multilateral and bilateral aid.

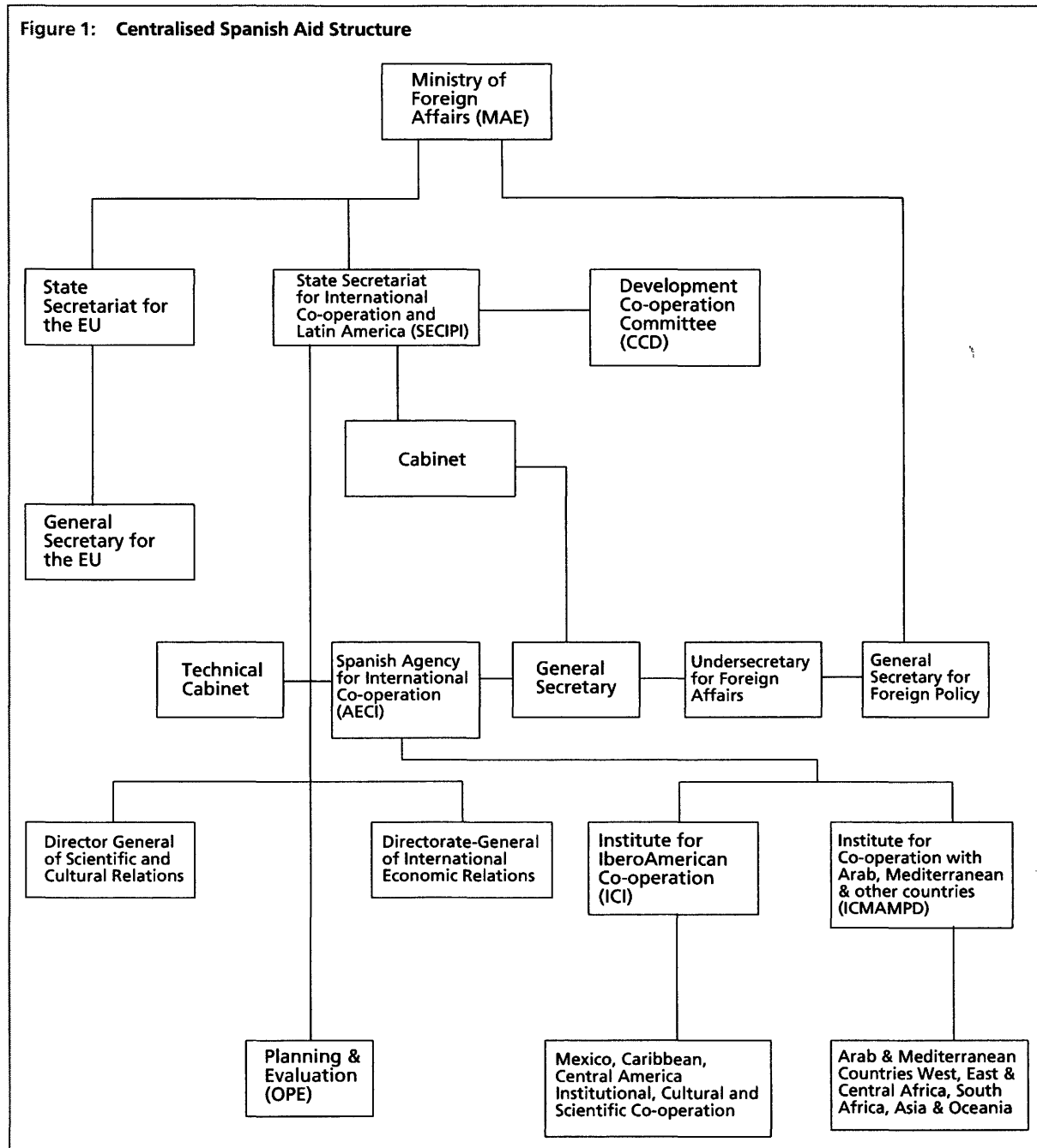
Table 1 shows that the bilateral:multilateral split of Spanish aid was about 70:30% in 1996, while in 1995 it was about 60:40%. In 1996, bilateral aid increased by about 10%, while multilateral aid fell by about 27%. In the following sections, the categories of aid of most importance for forestry are presented.

3.3 Centralised bilateral aid: technical, cultural and scientific projects

According to Table 1, this amounted to Ptas. 31 billion in 1995 and Ptas. 24 billion in 1996, equivalent to 31% and 22% of bilateral aid in 1995 and 1996 respectively. While there is no precise definition of forestry in the aid statistics, the 1996 International Co-operation Plan distinguished Ptas. 339 m. for 'environmental protection', Ptas. 86 m. for 'silviculture', and Ptas. 105 m. for 'conservation and soil improvement'.

The project identification process is primarily reactive. Projects are initially proposed by national agencies via the country's Spanish Technical Co-operation desk, and then provisionally appraised in Spain by aid

Figure 1: Centralised Spanish Aid Structure



officials and technical experts in the Ministries. There is no forestry or environmental budget line, so forestry must compete with other sectors in the bilateral Mixed Commissions. In these, high ranking state officials from Spain and the partner country meet every two or three years, in alternating venues, to consult about the list of provisionally approved projects, the country's needs, and how these can be matched with Spain's aid priorities. Projects that reach the Mixed Commission stage are rarely rejected. 24 Mixed Commission agreements were signed over the 1994–95 period.

Since AECI has no in-house forestry or environmental expertise, a range of outsiders are called in at different points in the aid delivery process – NGO staff, academics, Ministry technical staff, private consultants, etc. Sometimes NGOs and recipient countries propose

local country experts, but the preference is for Spanish citizens. Consulting companies have played a generally minor role in aid delivery – they have occasionally been called in for specific projects where appropriate skills have not been located within the public sector.

3.4 Decentralised aid

This component of bilateral aid, which only started in 1990, refers to commitments by Regional governments and local councils. Table 1 indicates that this amounted to Ptas. 14.7 billion in 1995 and Ptas. 17.7 billion in 1996, representing 14.5% and 16% of bilateral aid respectively. According to MAE data, in 1996 some Ptas. 560 m. of this decentralised aid was in the 'Agriculture, silviculture and fisheries' category, and Ptas. 174 m. was in the 'Protection of the environment' category.

Table 1. Spanish Official Development Assistance: expenditure 1991–96 (millions of pesetas)

	1991	1992	1993	1994	1995	1996
• Contributions to the EU	33,007	35,122	35,734	44,722	41,184	34,085
• International Financial Organisations	14,958	3,681	7,433	7,403	17,050	2,684
• International non-Financial Organisations	4,094	4,064	3,757	8,338	8,320	12,061
Total Multilateral	52,059	42,867	46,924	60,463	66,554	48,830
Soft Loans	53,805	86,982	94,926	80,021	35,292	40,212
Non-reimbursable	25,261	25,614	24,003	32,796	66,255	71,403
• Debt rescheduling	—	—	406	8,972	7,608	15,261
• Technical, cultural and scientific projects	17,812	17,813	14,758	16,649 ^a	31,040	24,005
• Food aid	1,728	371	1,184	534	432	1,683
• Emergency aid	875	483	368	511	2,435	1,611
• NGO support subsidies	2,025	3,158	3,102	3,187	10,073 ^a	10,984 ^a
• Decentralised cooperation	2,821	3,789	4,185	2,943	14,667 ^a	17,729 ^a
Total Bilateral	79,066	112,596	118,929	112,817	101,547	111,485
TOTAL oda	131,125	155,463	165,853	173,280	168,101	160,315
Percentage GNP	0.24%	0.27%	0.28%	0.27%	0.24%	0.22%

^a Estimated figures

(Source: Ministry of Foreign Affairs)

Regional governments were formed gradually during the 1980s, but it is only very recently that all 17 Regional governments have had aid budgets. Andalusia has the most important aid programme for tropical forestry, with 5.7% of its aid over the 1992–95 period committed to forestry and environmental projects, as compared with the Basque Country, which had the largest aid budget among the Regional governments, and spent only 0.8% on forestry and environmental projects. Navarra and Cataluña also had significant (general) aid programmes. AECI has promoted joint agreements with 12 Regional governments, organised seminars for Regional government aid officials, and allowed them to take part in the bilateral Mixed Commissions. Also, since 1991 both Regional governments and local councils have participated in the elaboration of the annual aid plans (PACIs).

No less than 124 local councils have undertaken an aid project of some sort. The most important have been Madrid (Ptas. 1,665 m. in 1994), Barcelona, Zaragoza, Seville and Vitoria-Gasteiz. Even some parish councils have participated, like the Catalan village of Arbucies (4,602 people), which dedicated 1.4% of its budget to aid in 1993 (CONPGD, 1994). Interest began with the twinning of towns and villages. By 1996, 34 local councils had committed 0.7% or more of their budget to aid.

The main aid delivery 'actors' in decentralised aid have been NGOs. Andalusian government projects are implemented by a number of agencies: public institutions, universities and NGOs in partner countries, often with the support of Spanish NGOs and universities.

3.5 Aid through Non-Governmental Organisations

Table 1 shows that there has recently been a sharp increase in the proportion of aid going to NGOs as 'support and subsidies', rising from 2–3% of bilateral aid in the 1991 to 1994 period to about 10% in 1995 and 1996, or Ptas. 10–11 billion in absolute terms. It is estimated that forestry and environmental projects accounted for about 6% of this NGO aid in 1995. Although the subsidies under the aid programme are important for their work (15% of their total budget in 1993), development NGOs draw most of their funding from their own funds (56%), as well as from the EC (14%), donations (7%), Regional governments (6%) and local councils (2%).

In recent years, NGOs have become important actors in the aid programme, particularly in their policy lobbying role. NGOs can bid for funds from two budgets: the first, published each Spring, comprises SECIPI funds managed by MAE, while the second, published in the Autumn, comprises the 'Social Fund'. Taxpayers can specify, if they wish, that 20% of their tax should go to the Catholic Church or the Social Fund. The latter currently amounts to about Ptas. 2.5 billion per year (FCD, 1996), although only a proportion of this is channelled into overseas development projects. Box 1 summarises the development of NGOs in Spain, and indicates their heterogeneous and sometimes conflicting nature.

NGOs usually employ local expertise unless SECIPI conditions insist on the use of Spanish nationals. Spanish NGO staff are involved in project selection, and occasional monitoring and evaluation visits. Some NGOs have a system of 'volunteer brigades' in which Spanish volunteers spend time on projects.

3.6 Loans

While soft loans with a 1–2% interest rate comprised as much as 36% of development aid in 1996, since 1995 only two soft loans (1–2% rate of interest) to forestry projects were identified, both orientated to the processing sector – financing three saw mills and a carpentry workshop in Guinea Bissau.

3.7 Multilateral aid

The major component of Spain's multilateral aid since the late 1980s has been its contribution to the EU aid budget – usually about 25% of Spain's total aid budget. Various ministries make contributions to multilateral organisations, most significantly to UNEP (Ptas. 108 m. per annum over the 1994–96 period), IUCN (Ptas. 24 m. per annum) and ITTO (Ptas. 8.1 m. per annum). Although multilateral contributions are usually fixed by international agreements, Spain has often tried to attach conditions, for example it has tried to get its multilateral EU contributions channelled more to Latin America (MAE, 1990: 447).

4. FORESTRY AND ENVIRONMENTAL AID STRATEGY

4.1 Forestry and environmental aid initiatives in the 1980s

The first major tropical forestry initiative was a 1981 'Co-operation in Forestry and Nature Conservation Programme'. According to ICI (1981), this constituted "the start of a huge co-operation plan with Latin

America in forestry and nature conservation", to be coordinated by the Ministry of Agriculture through the *Instituto para la Conservación de la Naturaleza* (the Institute for Nature Conservation – ICONA).³ The programmed budget for 1982–84 was Ptas. 75 m. The emphasis was on technical assistance, exchanges, training, project design missions, and private sector collaboration in support of three sub-programme objectives:

- strengthening the capacity of forestry administrations to manage natural resources;
- utilisation, creation and industrialisation of renewable natural resources;
- nature conservation.

During 1981 various 'Co-operation Agreements' were signed with countries such as Honduras, Costa Rica and Mozambique. While ICI (1981) emphasised the nature conservation aspects of these agreements, it was clear that the main emphasis was on production forestry. However, the only substantial activity to emerge from the 1981 Programme seems to have been a series of project identification missions or 'study trips' to Colombia, Costa Rica, Honduras, Ecuador and Peru (ICONA, 1983). Some of the project ideas were absorbed into later aid projects, indicating that the Programme might have lived on under another guise.

The fact that the 1981 Programme never really materialised, and the lack of references indicating strategic thinking on tropical forestry, may reflect the period of uncertainty that Spanish forestry experienced during the 1980s, when it underwent major administrative, philosophical and practical changes as a result of the regional devolution of forestry responsibilities and the impacts of new environmental thinking. The 1980s witnessed a huge upsurge in environmental awareness in Spain, as pulp plantation projects were questioned in Parliament, and ICONA, with greatly reduced forestry powers, began to acquire a greener image through its involvement in the prevention of forest fires, National Park management plans and Tropical Forest Action Plans.

4.2. Centralised aid strategy

4.2.1 General sectoral priorities

In 1989, the State Secretary of CICI stated that aid had a dual purpose: solidarity with developing countries and defence of Spanish interests (MAE, 1990: 446). General sectoral priorities for aid were established by SECIPI in 1987. These were as follows:

- agriculture
- health
- teaching Spanish
- professional training
- support for institutional development
- infrastructure development.

In addition, CICI annually approves 'guidelines' for Spanish aid. The 1996 guidelines were to:

3. Despite its name, ICONA was Spain's central forestry authority up to 1996. Forestry is now handled by the newly created Ministry of Environment.

Box 1. Evolution of the NGO sector

The first development NGOs in Spain, with the exception of the Red Cross (1864), were closely linked to the Catholic Church. These disbursed school, health and material aid in addition to missionary work. In the 1950s and 1960s, new non-missionary and more development-orientated Christian NGOs appeared, such as Intermon, IEPALA, and Manos Unidas. A 'third generation' of NGOs, including several international NGOs like Friends of the Earth, have been more concerned with integrated development projects and attempts to influence structural problems. From 1981 to 1990, 51 new development NGOs were founded.

In 1983, the larger NGOs established a national body, the *Coordinadora*, both to help coordinate their activities and to formally represent themselves in dealings with the Government. While there are currently some 80 NGOs in the *Coordinadora*, Spain has more than 150 other development NGOs, many of them very small. Some NGOs have criticised this huge increase in small NGOs. Intermon (1996) states that "the proliferation of small NGOs with no grassroots and high dependence on public money does not help the need for adequate consultation with the authorities". While recognising this potential problem, smaller NGOs consider the larger groups to have become bureaucratic and to have hindered the initiatives of smaller groups. Some 15 development NGOs control nearly all the private resources.

(Sources: Felipe and Rodriguez, 1995, Intermon, 1996)

- concentrate on human development in war zones and least developed countries
- contribute to economic development, in the context of self-sustaining growth and development
- promote geographical concentration and sectoral specialisation to guarantee the maximum impact of any programme
- promote 'integrated co-operation' (coordinating public and private interests in aid)
- give consideration to the environmental impact of projects
- give importance to women
- integrate programmes related to debt rescheduling.

Since forestry has not been considered to be a subsector of agriculture, it has therefore not been part of SECIPI's sectoral prioritisation (agriculture has anyway not surpassed 4% of bilateral aid).

4.2.2 Importance and definition of tropical forestry

While there are great difficulties in the identification of 'forestry' aid, as discussed below, data presented in Section 5.2 indicates that, even using a very broad definition of forestry (for example including protected area projects), a maximum of 0.4% of the aid budget can be estimated as going to forestry-related projects. This contrasts starkly with estimates by aid officials that forestry projects consume 5–10% of the aid budget. There are a number of possible explanations for this discrepancy, including aid officials' inaccurate knowledge of the true situation, an attempt to include the forestry components of integrated rural development projects, training programmes and other more general projects, and the desire to present a green image of Spanish aid.

There has been a large variation in official terminology over the years. In some aid documents, a global classification of 'agriculture, livestock and forestry' is used, in others 'agriculture' and 'environment' are put together, while in others more specific terms like 'silviculture' are used. The view of some AECI officials is that it was never the intention to separate out forestry. Biodiversity conservation and protected area projects are never included in the term 'forestry', which is regarded in aid circles as being virtually synonymous with 'reforestation', reflecting the predominant domestic use of the term. The term 'environment' in aid statistics mainly refers to 'defensive' conservation projects, but may or may not include reforestation, forest management, forest training, etc., as well as some non-forestry projects like solar energy.

4.2.3 Strategies and trends in forestry and environmental aid

In general, forest projects have comprised one-off actions or been part of a multi-sectoral approach, as with integrated rural development projects. The selection of projects has been basically demand-led, as discussed in Section 3.3. Explanations for this lack of forestry policy or strategy can be found in the weak coordination of the state aid agencies, lack of in-house forestry expertise and thus a dependence on external

advisers brought in on an *ad hoc* basis, and the devolution process which has resulted in the regionalisation of domestic forest policy; the lack of a tropical forestry policy partly reflects the lack of a unified domestic forest policy. A current statement on tropical forestry was complicated by the 1996 transfer of forestry authority from the Ministry of Agriculture to the new Ministry of Environment.

The terminology used in aid documents indicates a shift in priorities. There is now less use of 'reforestation', and there are attempts, above all by NGOs and Regional governments, to link reforestation to social forestry, support forest conservation, and integrate forestry with other rural development activities. Secondly, the use of such terms as 'biodiversity', 'biosphere' and 'ecotourism' has increased. In fact the first SECIPI documents referred to environmental issues as 'habitat' and only from 1993 was the term 'environmental protection' used. Some recent projects show evidence of more 'progressive' thinking, for example a project to help farmers manage wildlife, and projects targeted at women.

Notwithstanding the definitional problems, it is clear that 'environmental' actions have been better resourced than 'forestry'. While the importance of some areas of traditional forestry expenditure, such as agroforestry and reforestation, has persisted, the emphasis in Spain's aid budget has moved towards 'defensive' conservation expenditure, with relatively less emphasis on forest management initiatives. Also, in view of insufficient resources for sustained support, the policy has been to provide seed money for larger projects (eg to help develop a Park management plan that can then be submitted to a larger donor like the EC).

It is also important to mention the importance of integrated rural development (IRD) projects in Spanish aid – there have been nearly a hundred since 1989, many with important forestry or environmental components. For example, from 1991 to 1995, preliminary studies were carried out on a Ptas. 750 m. (more than the combined annual commitment for forestry and environmental projects) IRD project in the El Kheirat Wadi, Tunisia, with major erosion control and agrisilvopastoral components.

4.2.4 Influences on strategic thinking

A number of influences on the evolution of Spain's forestry aid programme can be identified as follows:

- democratisation: strong public interest in nature conservation (eg in ornithology) has emerged through the political system during the last 20 years, especially via the NGOs;
- the TFAP process: from 1989 to 1991, Spain funded TFAP meetings in seven Latin American countries, and some TFAP projects such as the planning and management of National Parks in Panama in 1995;
- the 1992 UNCED Conference: at Rio, the Spanish President underlined the fact that development and the environment are linked, and that this should be reflected in the aid programme (Recio, 1993). Also, since Rio all projects should be analysed for their possible environmental impacts, and particular attention paid to biodiversity as Spain is a

Table 2. Geographical spread of Spanish Official Development Assistance 1989–95 (%)

	Latin America	Africa (non Arab)	Middle East & Maghreb	Asia & Pacific	Others
1989	53.1	21.7	7.7	7.2	10.2
1990	27.9	20.2	15.7	24.3	11.8
1991	47.1	17.9	7.0	0.7	27.4
1992	41.3	12.4	22.6	19.2	4.5
1993	51.4	7.9	10.8	24.4	5.5
1994	47.6	12.1	9.4	26.0	4.9
1995	51.5	10.1	11.7	16.1	11.0

(Source: SECIPI, various years)

signatory to the Biodiversity Convention;

- forest fires: the severe domestic problem of forest fires has reinforced an interest in protected areas, encouraged by multilateral initiatives such as UNESCO's Man and the Biosphere programme;
- timber certification and the Forest Stewardship Council (FSC): Spanish forest authorities have participated in several international meetings on timber certification during the 1990s.

4.2.5 Regional and country selection

Spain's first official aid plan referred to the need to help the least developed countries, while emphasising that 'special consideration' should be given to Latin America. Accordingly the following medium term plan for aid distribution was drawn up: 45% to Latin America; 38% to Africa; 9% to the Asia/Pacific region; 4% to the Middle East; and 4% to other countries (SECIPI, 1986).

Table 2 shows that since 1989, Latin America has generally received about half the bilateral aid budget. Africa's share had gradually fallen to 10% in 1995, while aid to other regions had been very variable – for example, the Asia and Pacific region received 24% in 1990 and less than 1% in 1991.

NGOs have been critical of the small proportion of aid going to the poorest countries (González Parada *et al.*, 1995; Intermon, 1996), but have themselves also concentrated (with or without SECIPI financing⁴) on Latin America: 60% of all projects by members of the *Coordinadora* of NGOs were carried out there in 1993, and 57% in 1995 (CONPGD, 1994 and 1996).

Official documents (eg, MAE, 1990: 443) and almost all central and local government officials interviewed considered Latin America to be the logical choice for Spanish aid. This is partly due to a fear that other countries will penetrate Spain's Latin American market, as revealed in a parliamentary question (MAE, 1989: 528). Aid allocation to individual countries results from a combination of international geo-politics, the relative capacity of national authorities, the strength of national green lobbies/NGOs, the presence of a Spanish adviser, and occasionally the personalities involved in the

projects (Recio, 1993). Geopolitics can have a marked impact on aid distribution; for example, the Rwanda crisis resulted in a big increase in Spanish NGO activity, but only while the Spanish public maintained its interest.

4.2.6 Technical advisory inputs

Currently there is no forestry or environmental specialist in the aid agencies. After the UNCED Conference, AECI employed an environmental lawyer for two years to coordinate environmental projects in Latin America, but he dealt more with administrative issues, relying for technical advice on ICONA. The Planning and Evaluation Office of SECIPI employed an environmentalist briefly in 1992, but she went on secondment overseas, returned briefly in 1996, and is now based in the Ministry of Environment. Thus all technical forestry advice is currently provided by Ministries, universities and consultants.

4.3 Decentralised aid strategies

Regional government aid priorities have generally reflected local priority issues. Andalucía's official number one aid priority is 'environmental protection'. This is due to various influences including experience since devolution in the creation of various National Parks in Andalucía, a Biosphere Reserve, forest plans, etc., UNCED and the global Biodiversity Convention (Molina Vazquez, 1995). By contrast, most other Regional governments have supported more traditional 'forestry' activities, especially reforestation, nurseries and agroforestry.

Regional governments tend to rely on project requests from national governments, AECI and NGOs, so again this is a mainly reactive approach. However, the impact that a dynamic individual can have in promoting a more pro-active strategy is clear in Andalucía, where the energy and vision of one individual (an environmentalist) has been the dominant factor in shaping the programme. On country selection, Andalucía has had no particular strategy apart from a concern for expediency in implementation; it has proved easier to work in Venezuela, Panama, Costa Rica and Nicaragua, than in Guatemala and Morocco (F. Molina Vazquez, pers. comm.).

In the case of local councils, forestry comes under 'production', which accounted for 6.4% of total local council aid in 1995, and is not regarded as a priority

4. In 1995, 57% of SECIPI funds to NGOs went to projects in Latin America, 17% to non-Arab Africa, 13% to Middle-East/Maghreb, 2% to Asia/Pacific and 11% to other regions.

area in the same way as education, health and housing (FEMP, 1996).

4.4 NGO strategies

In general, forestry is not a priority for most NGOs, as opposed to health, education, etc. Most forestry projects and lobbying come from a small group of more environmentally-orientated NGOs, such as *Bosque y Comunidad* (Forestry and Community), IPADE, Intermon, CODESPA, Friends of the Earth, ACNUR, *Ayuda en Acción*, *Veterinarios sin Fronteras*, and *Amazonia Solidaridad*. Information derived from a questionnaire to NGOs about their forestry and environmental activities revealed some interesting trends:

- most NGOs felt that the environment should be a basic component of all actions, and it is not normally treated as a separate activity;
- they increasingly target indigenous communities;
- reforestation has been re-oriented to local community use (above all for firewood) as opposed to more commercial aims;
- increasing interest in the development of local ecotourism and control of commercial tourism.

These NGOs have developed into a significant forest policy lobby in recent years. NGO lobbying was one reason behind the creation of the *Consejo de Cooperación al Desarrollo* (Council for Development Cooperation – CDC) in July 1995, through which NGOs hoped to improve the quality of Spanish aid (Felipe and Rodríguez, 1995). The CDC is supposed to meet at least four times a year to:

- fix aid criteria and priorities;
- analyse and comment on the annual aid plans and any proposed aid legislation;
- plan and carry out periodic evaluation of aid projects.

NGOs, who fill 6 of the 27 committee seats, have been critical of CDC: its members have only an advisory role, and the body appears to lack 'political clout'. The new (1996) government is likely to reform it.

5. PROJECTS FUNDED BY TYPE AND GEOGRAPHICAL DISTRIBUTION

5.1 Classification of forestry and environmental projects in centralised aid

As discussed in Section 4.2.2, 'forestry' is difficult to define from the aid statistics. The projects have therefore been re-classified here according to the project name and any other available information. Anything coming under biodiversity conservation, protected areas, ecotourism, ecological management, environmental education, etc., is classified under 'environmental', reflecting the Spanish preference for this term, while energy and health-related environmental projects have been excluded.

Because of the definitional problems in the aid statistics, there is a permeable distinction between the forestry and environment categories. This is also partly

due to the multiple objectives of some projects. For example, the 'Talamanca-Caribe Biological corridor' project, classified as 'environmental', included a sub-project on sustainable forest management. Integrated rural development projects have been left out of the analysis because of the disaggregation problem, in spite of their often significant forestry and/or agroforestry components.

5.2 Thematic distribution of projects

5.2.1 Mainly centralised aid

Table 3 presents a breakdown of financial commitments over the 1990 to 1996 period by type of 'forestry' project, and Table 4 by type of 'environmental' project for all the forestry and environmental projects it was possible to identify. These tables include some regional government and NGO projects financed from the aid budget, but 84% of forestry project expenditure and 92% of environmental project expenditure reported here corresponds to centralised as opposed to decentralised aid, implying that the latter is under-reported in these data.

According to the identified forestry projects, the average annual forestry commitment was Ptas. 126 m. over the 1990–96 period. It can be observed from Table 3 that the most important project categories were agroforestry (30%) and reforestation (24%), while 'subculture' or cork cultivation/science (12%), courses on forest fires (9.5%), 'sustainable forestry' (8%), and forest industry (6%) were on a second level of importance. There are no strong trends apart from a significant increase in subculture, and a slight fall in reforestation. The most common projects were forest fire courses, agroforestry and reforestation.

Table 4 shows on 'environmental' projects an average annual expenditure of Ptas. 323 m. The most important project categories were national parks and biosphere reserves (23%), environmental education (18%), 'territorial planning' (land-use planning) (15%), 'environmental and natural resource management' (11%) and wetland management (6%).

Observable trends have been an increase in aid for defensive conservation actions and environmental education over the last four years, while other categories assuming greater importance have been environmental legislation, ecotourism, wetland management, 'agro-ecological development', flora and fauna inventories and sanctuaries, and environmental funds. The main category to decline in relative importance has been land-use planning. Parks, courses and wildlife sanctuaries have been the most common projects to receive support.

Combining the average annual expenditures for forestry and environmental projects from Tables 3 and 4 indicates the proportion of the aid budget going to forestry and related projects to be slightly less than 0.4% of average annual aid (expenditure) over the 1991–96 period (see Table 1).

5.2.2 Decentralised aid projects

For Andalucía, the emphasis has also been on defensive environmental expenditure, as shown in a list (not exhaustive) of projects supported (Molina Velazquez, 1995):

Table 3: Spanish 'forestry' aid by type of project 1990–96 (thousands of pesetas)

Forestry	1990	1991	1992	1993	1994	1995	1996 (prov)	Total 1990–6	% Total
Agro-forestry	8500		24459	76300	54781	21000	71200	256239	30.0
Reforestation/ plantations	2628	33968	56938	32715	45644	20000	17800	209693	23.7
Subericulture					5000	28265	75000	108265	12.2
Forest fire courses	9723	11319	17084	7120	3168	11500	23682	83595	9.5
Sustainable forestry			6000	45000		11000	7000	69000	7.8
Forest industry		5821	14560	10000	20000	6165		56546	6.4
Forest hydrology courses				6575			12000	18575	2.1
Forest roads					16075			16075	1.8
Forest training				6800	3204		6000	16004	1.8
Habitat and reforestation						15050		15050	1.7
Forest nurseries/ Reforestation					4000	10100		14100	1.6
Defence of the Amazonian Ecosystem						10000		10000	1.1
Forest development						4000		4000	0.5
Courses on reforestation	2100							2100	0.2
Forest planning				1542				1542	0.2
TFAP debate	850	550						1400	0.2
Forest system research	361							361	0.04
Degradation native forest	282							282	0.03
Total	24444	51658	119041	186053	151871	137080	212682	882828	

- planning and property rights in protected areas, including Biosphere Reserves (Dominican Republic, Cuba, Mexico, Uruguay and Venezuela);
- public use of protected areas/ecotourism (Venezuela, Dominican Republic);
- protection of endangered species (Venezuela);
- study of fauna/flora (Morocco);
- protection of the pinsapo pine (Morocco);
- sustainable forest management (Guatemala, Colombia);
- management plan for a flamingo sanctuary (Colombia);
- seed money for consolidation of protected areas (Venezuela);
- collaboration in national biodiversity strategies (Uruguay);
- environmental education (Uruguay);
- volunteer collaboration and 'expert exchanges' in national parks (Costa Rica).

Other Regional governments have tended to support

more traditional forestry activities, especially tree nurseries and reforestation. The following list of projects, many of which were implemented through NGOs, also shows the popularity of carpentry workshops, partly because this type of project is small and relatively uncomplicated for busy local government staff to manage:

- Basque: production plantations, forest roads, carpentry workshop and agroforestry;
- Madrid: forestry-livestock cooperative, carpentry workshop and reforestation/nurseries;
- Cataluña: carpentry workshop, reforestation/nurseries, defence of the Amazonian ecosystem;
- Valencia: reforestation, forestry and livestock production;
- Navarra: carpentry workshops and nurseries;
- Galicia: agroforestry and watershed management;
- Extramadura: strategy for biodiversity conservation and protected areas.

Identifiable local council forestry projects, the vast

Table 4: Spanish environmental aid by type of project 1990–6 (thousands of pesetas)

	1990	1991	1992	1993	1994	1995	1996 (prov.)	Total 1990–6	% Total
Parks and Biosphere Reserves	35809	23341	89151	66073	70295	97873	136058	518600	22.4
Environmental education & awareness		500		62078	79934	133500	125371	401383	18.1
'Ecological Territorial Planning'	49538	126296	56000	92850	3000			327684	14.3
Environment & natural resource management	8248	49372	20181	58049	27620	34573	39155	237558	10.7
Wetland management				32650	3000	94872		130522	5.9
Watershed management & agro-planning			26786	20527	21014	47748	12660	128735	5.8
Agro-ecological and eco-development				3048	35000	131204		169288	7.6
Ecotourism				33560	2500	10000	13260	59680	2.7
Environmental legislation			1600		6000		35000	42600	1.9
Flora/fauna inventories	14000			1816	2728	12500		31044	1.4
Biodiversity			13143	6900	1500	6510		28053	1.3
Energy, environment and development			3600		6500	16929		27029	1.2
Sustainable development and environment				10000		5401	20000	35401	1.6
Flora/fauna sanctuaries	500		4100	375	2670	3000	10000	20645	0.9
EIA courses	6695			11324		272		18291	0.8
Inventory				4500	3500	8994		16994	0.8
Environmental funds							15000	15000	0.7
Environmental seminars					5500	5070		10570	0.5
Biogas plants					8500			8500	0.4
Courses				4616				4616	0.2
Private sector promotion						4000		4000	0.2
Women, environment and health						3000		3000	0.1
Wildlife management and farmers					362	1288	427	2077	0.1
Desertification				1100				1100	0.1
Totals	114790	199869	214561	409502	279623	616734	407291	2242371	

majority of which are implemented through NGOs, show a strong similarity to Regional government projects:

- Valladolid: carpentry training workshop (Nicaragua); reforestation (Peru);
- Barcelona: river and green belt protection (Ecuador); forest nursery (Nicaragua);
- Fons Catalá: nurseries and reforestation; environmental education and reforestation (both Nicaragua);
- Molins de Rei: nursery for reforestation (Nicaragua);
- Logroño: sawmill and carpentry workshop (Zaire); afforestation and pasture recovery (Peru); women and use of stoves/forest (Guatemala);
- four councils combined: firewood production and reforestation projects (Guatemala).

5.2.3 NGO projects

NGOs use classifications like 'agriculture' and 'integrated development' rather than environment, which is expected to be a component of all projects. Identification of forestry projects therefore proved difficult. However, Table 5, which lists the forestry and environmental projects funded by SECIPI in 1995, indicates an emphasis on 'defensive' conservation projects.

In contrast, non-SECIPI projects identified through a questionnaire reflect the close links between NGOs and decentralised aid:

- *Veterinarios sin Fronteras*: promoting women's participation in a reforestation project as part of a larger IRD project (Guatemala);
- *Ayuda en Acción*: tree nurseries, reforestation and environmental education (Nicaragua); ecotourism (Ecuador);
- *Bosque y Comunidad*: indigenous forestry (Chile); agroforestry (Peru); forest germplasm bank (Bolivia); a planned 'social forestry' project (Mozambique);

- ACNUR (UNHCR)-España: forest inventory, reforestation, mobile sawmill, forest machinery (Guatemala);
- YPE: recovery of native seeds, including tree seeds (Brazil);
- ACSUR – Las Segovias: eco-tourism in Biosphere Reserve (Nicaragua);
- Intermon: forestry and livestock production (Ecuador);
- IFADE: community reforestation and sustainable management (Philippines);
- BATA-CIC: agroforestry/rural development project (Cuba).

5.3 Regional distribution of projects

The geographical distribution of forestry and environmental projects follows similar tendencies, as shown in Table 6. Latin American countries dominate projects of all kinds, apart from some cork processing, rural planning and park projects in the Maghreb countries. Within Latin America, there has been an uneven distribution of forestry projects. Venezuela, Nicaragua and Guatemala have been particular beneficiaries, the latter two especially from decentralised aid and NGOs.

6. TRAINING AND RESEARCH

Spain supports several international research and training programmes with forestry and environmental components, some of which are not included in the aid statistics. Three of the more important ones are the Latin American Science and Technology Development Programme (CYTED), Intercampus and the Latin America Academic Training project, which was set up with EC finance in 1994, with environmental training as a high priority.

CYTED is a multilateral programme created in 1984 in association with 21 Latin American countries. Its aim is to facilitate technological R & D through coordination and co-operation between universities, research centres and innovative companies in Latin America,

Table 5. NGO forestry/environmental projects funded with central Spanish aid funds in 1995

Country	NGO	Project description	Ptas. million
Tunisia	ACPP	Sustainable management Mediter. woods	7
Costa Rica	AEDMAR	Conservation of marine turtles	4
Mauritania	A migos Doana	Conservation and eco-development	3.2
Equat. Guinea	A migos Doana	Conservation and eco-development	33
Paraguay	A migos Doana	Wetland conservation & ecodevelopment	26
Dominica	IEPALA	Sustainable development in Jaragua Park	40
Mauritania	MON 3	Postgraduate agro-ecology course	3.6
Mexico	Paz y Solidaridad	Sustainable develop. lake system & selva	32.4
Nicaragua	ISF	Agro-ecological develop. in dry tropics	80
Mauritania	MON 3	Ecological recovery of oasis	8.5
Total NGO budget funded by SECIPI			237.7

(Source: SECIPI, 1996)

Table 6. Geographical distribution of Spanish forestry and environmental aid 1989–1995

% of forestry (100%) and environmental (100%) aid in each year ^a								
	Latin America		Africa		M.East/Maghreb		Asia/Pacific	
	For.	Env.	For.	Env.	For.	Env.	For.	Env.
1989	91.2	67.3	—	17.6	—	—	—	—
1990	100	39.6	—	—	—	60.4	—	—
1991	100	33.9	—	—	—	66.1	—	—
1992	85.1	78.5	8.3	1.6	5.0	19.9	—	—
1993	69.9	98.8	5.4	—	—	1.2	25	—
1994	58.3	80.4	38.1	15.8	—	3.0	—	—
1995	74.3	85.2	—	7.0	25.7	4.3	—	3.5

^a Including subsidies to NGOs

(Source: SECIPI, various years.)

Spain and Portugal. Financing for national research teams, networks and research projects comes from a variety of sources including Spain, Portugal and the Inter-American Development Bank. Examples of important CYTED initiatives include:

- support for several research networks: the ‘Rational exploitation of forest resources’ network; the Tropical and Sub-tropical Mountain Network; the Pasture and Savannah Biodiversity network; the Coastal and Mangrove Ecosystems Network; and the Iberoamerican Biosphere Network;
- research on animal and plant communities along the Negro and Amazon rivers, Brazil;
- helping a Spanish/Uruguayan joint company venture to develop forest planning and management models.

Intercampus was set up in 1994 and financed by AECI to provide exchanges between Latin American and Spanish universities. In 1995, about 7% of the exchange offers from Spanish universities were related to agronomy or forest sciences, and 1.6% to ecology and the environment. For Spaniards going to Latin American universities, the percentages were 7.7% and 1.8% respectively.

The Latin America Academic Training programme is planning to introduce the Tropical Forestry and Agroforestry Network for Research and Education (RIETA-1), involving Spain’s main forestry training school, and four Central American and six European institutions. The basic objective is to strengthen the teaching and research capacities of the participating institutions (Alfonso San Miguel, ETSIM, pers. comm.).

Additionally, various research and training programmes are sometimes included in Spanish aid, for example ‘Ecological planning of Las Tuxtlas Sierra’ in Mexico, involving finance from the Andalusia government and the participation of three Madrid universities. AECI also occasionally provides training grants for Latin American foresters.

In Spain, the *Escuela Técnica Superior de Ingenieros de Montes* (Higher Technical School for Forest Engineers – ETSIM), Madrid, and the University of Lugo run tropical forest management courses.

7. PROJECT CYCLE METHODOLOGY

7.1 Centralised aid

In general, aid procedures have only been formalised since 1989 when the Planning and Evaluation Office (OPE) of SECIPI was set up. The normal procedure is for a country to propose a series of projects to SECIPI or AECI via the technical co-operation offices in each country. Since 1994, these projects are supposed to be presented with a log framework. The projects are subject to an initial appraisal in which each project is assessed in terms of its technical feasibility and against SECIPI’s aid criteria. Appraisal is undertaken by both AECI officials and appropriate government department staff, or sometimes consultants, as well as by counterpart Ministries. ICONA officials have often been asked to assess forestry-related proposals. Consultants are only occasionally (20–30% of cases at most) brought into the process, due to the cost – Ministry staff time is not costed to the aid programme.

Projects are referred to the Mixed Commissions (see Section 3.3) only when given the green light by the AECI and external experts, and after the MAE has considered whether Spain will finance all or only part of a project. This will depend on how much it thinks the partner country should pay, and on co-financing possibilities with Regional governments, local councils or even NGOs.

Monitoring is limited to project reporting by the AECI in-country desk officer, and occasional project visits by aid officials. Country desk officers often make evaluation-type reports (see Section 8.3). Each AECI desk officer in Madrid is responsible for ‘follow-up’ in two or three countries. The lack of evaluation in practice is mainly attributed to the lack of procedures, unsystematic use of the log-frame, and lack of technical expertise and/or resources. However, reforms in the pipeline should remedy this situation (Blanca Rodríguez, OPE, pers. comm.).

7.2 Decentralised aid

Regional government projects operating through agreements with AECI tend to employ the centralised aid methodology, but those implemented by NGOs are subject to fewer procedures. Some Regional governments run yearly grant systems for NGOs, with more or less standardised application forms and reporting requirements. Each project funded by the Andalusia government has a manager in the Andalusia Environment Ministry, who makes occasional project visits.

Most large councils offer annual grants to NGOs, following a methodology similar to that of the AECI. However, interviews with several councils revealed dissatisfaction with project methodology. A number of larger councils, worried about their lack of trained staff, are searching for ways to improve the coordination and management of their growing aid funds. Despite attempts to coordinate council aid and finance larger projects, it is recognised that there is still "a growing tendency towards dispersion and fragmentation given the large number of municipal funds and the huge number of projects presented to these" (FEMP, 1996). Regional governments and local councils also generally rely on the implementing NGOs for monitoring and evaluation, and only rarely visit the projects themselves.

7.3 NGOs

Project methodology is strictest where SECIPI funding is involved. NGOs have to complete a comprehensive application form, which SECIPI then sends to the AECI office in the target country, which passes it on to the relevant national bodies. Each of these entities comments on the proposal, before a joint Commission of AECI and SECIPI personnel makes the funding decision.

While the legislation obliges NGOs to define "the system and means by which a project will be evaluated" (Orden 9-7-87, Article 5c), the emphasis in monitoring and evaluation is still on reporting. For example, biannual reports to SECIPI are supposed to include information on technical and economic progress. In addition, each year an aid official visits a number of selected projects.

NGO projects with no official finance tend to self-evaluate through field visits by Spain-based staff. Manos Unidas, one of the largest development NGOs, recognises that little systematic evaluation has been carried out, but efforts are now being made to 'professionalise' the evaluation process.

7.4 Constraints to more effective project cycle management

Lack of evaluation is among the main identified constraints to improved effectiveness in the aid programme. For example, the *Fundación de Cooperación* (FCD, 1996) cites 'insufficient evaluation' as a major failure of Spanish aid, while Intermon (1996) criticises the patchy evaluation of bilateral aid projects. It is also suggested that NGOs need to work towards greater participation of local communities in the project cycle, and to improve their own assessment of project impacts (Intermon, 1996). FCD (1996) also stresses the need for environmental impact assessment.

The problem of coordination among the numerous institutions involved in different parts of the aid

programme, and the need to reorganise Spain's aid administration, centring it all in one body, is also pointed out by Intermon (1996). A reformed CDC might go some way to improving coordination between the aid agencies.

While in most parts of the aid programme there is considerable flexibility, the SECIPI grants to NGOs appear to be rather inflexible, leading to NGO criticism. A further NGO criticism of centralised aid is the requirement to use Spanish technical assistance and to purchase Spanish equipment.

8. PROJECT PROFILES

8.1 Centralised aid project: Guatemala agroforestry project

(Sources: SECIPI, 1995 PACI follow-up document; ICI, 1993)

This project ran from June 1992 to December 1995 in two areas characterised by their critical shortages of firewood and severe environmental problems. The project finished in 1995 due to lack of finance. The project involved the following activities:

- creation of new forest nurseries;
- planting out saplings in both private (farmer) plantations and common lands;
- training courses on constructing tanks for collecting rainfall and other water; collection and processing of forest seeds; propagation of tropical fruit trees by grafting; and elaboration of Eucalyptus creams and syrup;
- participation in national-level courses;
- participation in periodic meetings of the National Commission of Forest Training and the Central American Madeleña Agroforestry Network;
- construction of 28 low-consumption firewood stoves.

The project failed to achieve its objectives, which included reforestation of 1000 ha, as Table 7 indicates.

While the Report refers to drought conditions which slowed down plantation development, there is little mention of impacts on local communities, or technical aspects like species type and plantation techniques to help guide future projects.

8.2 Decentralised aid project: Sustainable Management and Exploitation Plan for San Juan River Woodlands, Cauca Province, Colombia

Origin and objectives

This project came to the Andalusia government through the AECI Technical Co-operation Office in Colombia, following a request by the Colombian authorities. The management plan involved 60,000 ha of high value forest, subject to continued exploitation for pulp through an industrial concession which had been recently recovered by the Ministry of Environment.

The general objectives of the project, which ran over the 1995-96 period, were to contribute to the sustainable management of forest resources, and to improve

Table 7 Summary of Guatemala agroforestry project

	Individual plantations	Community plantations	Both types combined	Total
Families involved	452	1,303	57	1,812
Villages involved	20	2	4	26
Number of trees	205,753	108,698		314,451
Total reforested (ha)	70.89	41.45		112.3

standards of living by promoting sustainable resource-based livelihoods. Project outputs or activities included establishing a model for sustainable forest exploitation, and organising and training local communities.

Financing and implementation

The project was jointly financed by the Andalusian Ministry of Environment (Ptas. 10 m.), the EC (Ptas. 15 m.) and the National Institute of Natural Resources of Colombia (Ptas. 5 m.) and was due to last for two years. The project was to be implemented by the Colombian state institutions mentioned, with technical and financial support from the Andalusian Ministry of Environment, and coordinated by the Colombian AECI office.

8.3 Evaluations by AECI Peru Country Desk Officer (based on ICI, 1995)

8.3.1 Watershed management River Huancarmayo, Peru

This was a preliminary evaluation carried out in 1995 on a project begun in 1992. The main comments were as follows:

- the construction of slow formation terraces and infiltration ditches was soon completed and proved to be of benefit to most people, but there was markedly less interest in working on the more capital-intensive absorption terraces, which were also affected by budget cut-backs;
- legal problems hindered river bank work (state permission was not granted);
- targets for tree nurseries (4), afforestation (35 ha) and agroforestry (37 ha) were all achieved;
- reservoir plans and social services' aims were not achieved due to lack of funds;
- there was generally strong local participation, and even unskilled employment was welcomed; however, a constraint was the poor local understanding of watershed functions;
- participation in the tree nurseries was very positive, but it was still not clear if the nurseries were viable as community businesses;
- the project clearly strengthened local organisations with the setting up of irrigation, women, forest and soil conservation committees. A watershed committee was set up with statutes, and all communities have participated in this;
- there had been a conscious effort to promote the participation of women;

- there was a clear preference for *Eucalyptus* spp., due to their rapid growth and multiple uses. However, the Desk Officer felt that the high consumption of water and nutrients made it an inappropriate species;
- much of the agroforestry was poorly protected against livestock.

8.3.2 Integrated Rural Development project, Iquitos, Peru, 1989–95

This report was rather more critical. The main comments of the country desk officer were:

- all local people benefited in some way;
- Spanish funding arrived promptly, but the Peruvian share was always late;
- there was weak local participation in policy definition and project management;
- no attempt was made to support existing local organisations or create new ones;
- the project was deficient in several environmental aspects, such as woodland management, environmental education, and soil conservation, in spite of the clear need;
- measures to benefit women were adopted only towards the end of the project;
- the project had no overall development plan – planning was carried out on an annual basis;
- there were doubts about the long-term profitability of the production activities and the continuity of the social services introduced, suggesting the project had little chance of maintaining itself.

9. CONCLUSIONS

One of the distinguishing characteristics of Spanish forestry aid is its complex structure, with several government agencies responsible for different aspects of the centralised aid programme, and the large proportion of aid being managed on a decentralised basis and through NGOs. Political devolution to the Regions during the 1980s has resulted in some Regional governments, like Andalusia, having significant aid programmes directed to the environmental sector.

It is difficult to estimate how much aid goes to the forestry sector, because of the overlapping and changing terminology used in the aid statistics. However the data presented here indicate that forestry and forestry-related aid expenditure accounted for about 0.4% of average aid expenditure over the 1991–96 period, whereas aid officials estimate the proportion to be

5–10%. While this is almost certainly an overestimate, it is based on an assessment of all forestry-related aid in different parts of the aid budget which are not sectorally defined, such as the much-favoured integrated rural development projects, education and training programmes, etc. Forestry is therefore likely to be considerably more important than the aid statistics would suggest.

The emphasis in Spanish forestry aid has traditionally been on reforestation, nurseries, agroforestry, training courses and other traditional forestry activities which reflect recent domestic concerns. However, in recent years there has been an observable trend towards socially and environmentally oriented projects, in which forestry is seen as part of a multi-sectoral approach aimed at rural livelihoods, equity goals and biodiversity conservation. In particular there has been a trend towards 'defensive' conservation projects related to protected areas, so that 'environmental' aid has become more significant than 'forestry'. This trend has developed as NGOs and greener Regional governments like Andalucía have increased their influence, and due to various factors related to the 1992 Earth Summit, for example Spain's responsibility as a signatory to the Biodiversity Convention. NGOs like *Bosque y Comunidad* have also had some influence in introducing a greater social orientation, for example working with indigenous peoples and making reforestation projects more responsive to local needs. The Government of Andalucía has been particularly prominent in taking up the mantle of biodiversity conservation, reflecting the influence of a dynamic environmental officer.

A generally reactive approach has been adopted to project type and country selection. Much seems to depend on who demands what, and how effectively requests are channelled through aid offices in recipient countries – primarily Latin America. Reasons for the lack of a tropical forestry policy or strategy include the lack of in-house expertise, lack of coordination between the various state agencies, and the lack of a clear domestic forestry policy following devolution. This situation is unlikely to be quickly rectified following the 1996 restructuring in which forestry concerns have been transferred from the Ministry of Agriculture to the new Ministry of Environment.

The major preference shown for Latin America, as opposed to poorer African countries, reflects the obvious political and commercial expediency, and has been a point of severe criticism from some NGOs.

Aid delivery has involved a large range of actors. Since the centralised aid agencies have no technical forestry expertise, Ministry and university staff play an important role in project appraisal, but consultants have been relatively little used. Reliance has thus been put on recipient country institutions to implement the projects with relatively light Spanish technical assistance. In the case of decentralised aid, Spanish NGOs have been the main actors, working through counterpart national NGOs.

Most projects are small and of fairly short duration. Often the objective is to develop a basis – for example, through the development of a management plan – for submission to bigger donors like the EC. While the appraisal of projects appears to be becoming more systematic, with the introduction of log frameworks

since 1994, the main weakness of the project cycle methodology has been the lack of evaluation, especially of centralised aid. Another important constraint to improved aid effectiveness is the coordination problems within the centralised aid agencies, and between the central, regional and local government programmes. However, proposed reforms to the CDC and in the Planning and Evaluation Office of SECIPI should go some way to ameliorating these problems.

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ACRONYMS

AECI	Agencia Española de Cooperación Internacional (Spanish Agency for International Co-operation)
ADENA	Spanish Worldwide Fund for Nature
AITIM	Wood and Cork Industries' Research Association
CDC	Consejo de Cooperación al Desarrollo (Council for Development Co-operation)
CICI	Comisión Interministerial de Cooperación para el Desarrollo (Interministerial Commission for Development Co-operation)
CYTED	Programa Iberoamericano de Ciencia y Tecnología para el Desarrollo (Iberoamerican Science and Technology Programme for Development)
EIA	Environmental Impact Analysis
ETSIM	Escuela Técnica Superior de Ingenieros de Montes (Higher Technical School for Forest Engineers)

FEMP	Federación Española de Municipios y Provincias (Spanish Federation of Municipalities and Provinces)
ICI	Instituto para la Cooperación con Iberoamérica (Institute for Co-operation with Iberoamerica)
ICMAMPD	Instituto para la Cooperación con el Mundo Árabe, el Mediterráneo y los Países en Desarrollo
ICONA	Instituto para la Conservación de la Naturaleza (Institute for Nature Conservation)
IRD	Integrated rural development
IUCN	International Union for the Conservation of Nature
MAE	Ministerio de Asuntos Exteriores (Ministry of Foreign Affairs)
OPE	Oficina de Planificación y Evaluación (Planning and Evaluation Office)
PACI	Plan Anual de Cooperación Internacional (Annual International Co-operation Plan)
Ptas.	Pesetas
SECIPI	Secretario de Estado para la Cooperación Internacional y para Iberoamerica (State Secretariat for International Co-operation and Latin America)

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Sweden

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1. FOREST HISTORY

Sweden is one of the largest and most heavily forested countries of the European Union. The area under forest cover is today some 27 m. ha, with around 23.5 m. ha classified as productive forest land, corresponding to 55% of the total land area. Forest-based activities provide a substantial part of the economic wealth of the country. Forestry and forest industries account for almost 17% of the country's total annual export value of SEK 470 billion, and provide employment for approximately 120,000 persons (The National Board of Forestry, 1996).

1.1 Forests, land use and the growth of forest industry

Approximately 1600km in length, Sweden extends from latitudes 55 to 69 degrees North. Over this distance, conditions for forestry vary substantially, as do the types of natural forest vegetation. These cover several vegetation zones, from the southern broadleaf nemoral zone to the coniferous forests of the northern boreal zone.

Sweden has always been a sparsely populated country (present population: 8.7 m.). Nevertheless, except in the interior parts of northern Sweden, the forest has been significantly influenced over the centuries by human activity. This influence has varied from region to region.

Some 500 years ago the more densely populated south was dominated by a few feudal estates surrounded by many poor peasant smallholdings. There was early use of timber, and of potash, charcoal and other forest products. As the population increased the forest was gradually converted to cultivated land and pasture (Hamilton, 1997). Between 1650 and 1850 the forest became so depleted that in some areas cow dung had to be used as fuel in place of wood. However, towards the end of the nineteenth and the beginning of the twentieth centuries the situation began to change. Large-scale emigration to North America, increased yields in agriculture, and opportunities elsewhere in the country as industrialisation developed, combined to decrease the pressures on land resources. This made it possible for the forest to recover through both natural regeneration and reforestation (Nilsson 1995).

In central Sweden the main influence on the forest and the development of forestry was the mining industries, which date back several hundred years. These depended on an abundant supply of wood and charcoal for the processing of iron, copper and silver, and were very widely spread throughout the forests. Initially felling was carried out without any silvicultural consideration. Though natural regeneration compensated for this to some extent, the forests became progressively more heavily depleted.

In the mid-nineteenth century iron smelting companies in central Sweden were allowed to purchase forest land from farmers and the state. They made use of this opportunity to secure more regular supplies of wood by gradually introducing forest management. As a consequence, by the 1920s the general forest situation was far better in central Sweden than in any other part of the country. This laid the foundation for the growth of the country's successful forest industry. Some of the biggest

forestry companies today evolved from the earlier iron ore industries (Nilsson 1995).

In the north the forest had been mainly used for hunting, and also to some extent for grazing and browsing by the reindeer of an ethnic minority, the Lapps. More profound human impact on the forest began in the nineteenth century when timber exploitation started, first for sawn timber and later also for pulpwood, while along the coast the forest was converted to agriculture for crops and pasture. In the mid-nineteenth century increasing numbers of sawmills were established, mostly at the outlets of major river systems for ease of shipment. A combination of factors stimulated the vigorous development of the timber industry: technical advancements (for example, the steam engine), institutional reforms (which made it possible to mobilise capital for investment through joint stock companies), and the emergence of a market for the products, primarily in Great Britain. This created a demand for raw materials which the prevailing selective silvicultural cutting system was unable to meet. The forests in the north became increasingly depleted. A programme of rehabilitation was therefore initiated about 50 years ago, based on clearcutting and reforestation. This led to the creation of the extensive areas of man-made coniferous forests which now characterise the north of the country (Nilsson 1995).

Though the pattern and sequence varied from region to region, the history of forest resources throughout Sweden has been marked by similar cycles of activity: initial depletion followed by control measures and then the progressive rebuilding of the resource. The standing volume of approximately 1,700 m. cubic metres in the mid-1920s compares with more than 2,700 m. cubic metres today. During this period of managed forests the resource has provided one of the mainsprings of the country's economic growth.

1.2 Forest policy and the institutional framework

Throughout the long period of forest depletion, kings and governments repeatedly sought to intervene to arrest the decline, but with little success. It was not until the nineteenth century that concern about the situation reached such a level as to precipitate some action. In 1896 a State Forestry Commission was established to look into the problem. In line with the recommendations of this Commission, in 1903 the first Forestry Act was passed, which made it obligatory to regenerate/reforest after cutting. Provincial Forestry Boards were gradually established throughout the country with the task of implementing the new legislation and monitoring its results. There have been a number of subsequent changes to the policy, often as a result of further State Forestry Commissions. New laws have been introduced and the implementation mechanisms of the provincial boards have been strengthened. In 1941 the National Board of Forestry was established for the purpose of coordinating the activities of these boards.

For a long time forest policy focused on the objective of increasing production. However, the present forest policy combines a concern with production with a recognition of the importance of forests in the preservation of the environment. The relevant policy

considerations are as follows (The National Board of Forestry 1994):

- Forests and forest land must be utilised efficiently so as to ensure high-value and sustainable yields. The composition of forest production must be such as to satisfy varying future human needs.
- The productivity of forest land must be preserved. Biodiversity and genetic variation in the forests is to be secured. Forests must be managed so that plant and animal species which exist naturally in the forest ecosystems can survive under natural conditions and in vigorous populations. Endangered species and vegetation types are to be protected. The forest's historical, aesthetic and social values must be defended.

These objectives reflect the strong awareness of environmental issues that emerged in the country during the 1960s, leading *inter alia* to Sweden hosting the 1972 Global Conference on the Environment (the 'Stockholm Conference').

Of equal importance to the actual policy has been the process by which different stakeholders in Sweden have become involved in policy formulation. These stakeholders represent different interests such as political parties, the forest industry, trade unions, forest smallholders, environmental NGOs, the National Forestry Board, etc. The formal part of this process is likely to be a State Commission which, if it reaches consensus, proposes a new policy to Parliament. An important input into the work of such commissions is the National Forest Survey, for which the Faculty of Forestry of the University of Agricultural Sciences has been responsible. This survey has been carried out continuously since the 1920s and is also an important monitoring tool in the implementation of forest policy.

Another characteristic of the present policy is the absence of government subsidies for production. Swedish forest policy rests on the premise that forestry should be sustainably managed and be profitable without having to rely on government subsidies. This is an important difference as compared with most other European Union Member States.

About half the forest land is currently owned by private smallholders, a third of whom are organised into 8 forest owners associations. These are in turn grouped into a National Federation of Forest Owners. These associations also control parts of the processing industry – primarily sawmills, but also (in the south) pulpmills. Until a few years ago, ownership of the remaining half of the forest area was divided more or less equally between large private companies and a number of public and state organisations, the biggest landowner among the latter being the state company Domänverket. This was privatised in 1994, reducing the area of publicly-controlled forest land to around 10%. A substantial part of the remaining state forest land is controlled by the National Property Board.

Another important factor underpinning the improvements in the way the forest sector has been managed has been the increase in knowledge. In 1828 the king decided on the establishment of an institute for forestry education. This was the origin of what would eventually become academic forestry education in Sweden. The aim was to train people for the management of

state-owned forests and forest land, and originally the focus was as much on hunting and game management as on forest resource management (Anon, 1978). Gradually the focus changed, and the potential of forestry as a source of raw materials for wood-based industries increased interest in silvicultural practices. Experience gained from silviculture introduced from Germany in the nineteenth century by the mining companies provided the foundation for the development of modern silvicultural practices in Sweden (Nilsson, 1995)

The Swedish University of Agricultural Sciences, with its Faculty of Forestry located in the cities of Uppsala and Umeå, is nowadays the principal institution for academic education in forestry. It is also the most important forestry research institution. Another important research organisation is the Forest Research Institute of Sweden situated in Uppsala. This is a foundation controlled by the major forest companies, the forest owners federation and other smaller interest groups. There are also organisations involved in research in wood processing, one of which is the Swedish Institute for Wood Technology Research.

2. HISTORICAL INVOLVEMENT WITH TROPICAL FORESTRY

Sweden has had long experience in developing policies, institutions and practices to deal with overuse and degradation of forest resources, and harnessing them to the broader development of the local and the national economies. Though many of the circumstances have been unique to the country's situation and history, some of the lessons that can be learned, and some of the knowledge that has accumulated, are of relevance to the role that the forest sector can play in other countries.

As Sweden has no colonial experience of any significance in the tropics, its involvement in the forest sector in tropical countries, apart from development assistance, has mainly been through commercial links. These stem from the country's position as a major manufacturer and operator of forest logging and processing equipment. Some of the world's major producers of chainsaws, skidders, forwarders, harvesters and other industrial machinery are situated in Sweden, and these sell to developing countries, mainly in South America and South-east Asia. Swedish consulting firms are in the forefront of the provision of design, construction and start-up services to forest industries around the world.

3. STRUCTURE OF DEVELOPMENT ASSISTANCE DELIVERY

3.1 Organisation of the aid programme

The Ministry of Foreign Affairs has overall responsibility for development co-operation in Sweden. Within the Ministry, the Division for International Development Co-operation under the Minister for International Development Co-operation is responsible for the annual development assistance budget. Before Parliament decides on the development co-operation programme

for the coming year, the Parliamentary Standing Committee on Foreign Affairs examines the bill and suggests amendments and changes.

3.2 Development assistance commitment

The annual budget allocation for development assistance was approximately SEK 13 billion in 1995, of which around SEK 700 m. was contributed to the development assistance programme of the European Union. Swedish development assistance was 0.77% of GNP in 1995, this was considerably less than in the three previous years (when it was between 0.96 and 1.03%) but is still in excess of the UN target of 0.7% and is one of the highest levels in the European Union. Figures 1 and 2 give details of the overall trends in aid.

3.3 Bilateral assistance through Sida

Approximately two-thirds of the funds for development assistance are allocated to bilateral co-operation. These are mostly administered by the Swedish International Development Agency (Sida). Sida was created in 1995 in the course of a reorganisation of Swedish development assistance. Previously five organisations were involved in development co-operation: the *Swedish International Development Authority (SIDA)*; the *Swedish Board for Investment and Technical Support (BITS)*; the *Swedish Agency for Research Co-operation with Developing Countries (SAREC)*; *SwedCorp*; and *Swedfund*. The first four of these organisations have now been merged into Sida, together with *Sandöskolan*, which provides language training and courses/seminars related to development co-operation for (among others) people recruited for technical assistance. Swedfund has remained as an independent organisation within the Ministry of Foreign Affairs (see section 3.6).

Forestry projects and programmes are assigned to Desk Officers in the different sectoral departments of Sida. Some of these are forestry professionals. Consultation and collaboration among those handling the main forestry programmes occurs through a Forestry Group, whose chairman is from the Department for Natural Resources and the Environment. In-country officers handle the forestry projects of the Development Co-operation Offices in Swedish embassies and report to the Regional Departments of Sida.

3.3.1 Department for Natural Resources and the Environment (DNRE)

The most important forestry component, in budgetary terms, is that relating to assistance to *programme countries*. As is described in more detail later (section 4.1), this assistance is subject to country frameworks developed to facilitate a longer-term approach to co-operation between Sida and the 20 or so individual programme countries. During the past 10 years, 6 programme countries have received substantial assistance to their forestry sectors (see section 5.1, Table 1).

Sida's Department for Natural Resources and the Environment is responsible for the country programmes. Much of the task of preparing, implementing and monitoring these programmes is contracted out to consulting companies (or consortia of companies) or to individual consultants. In the past, consulting companies were sometimes also contracted to manage

Figure 1: Net disbursements at 1994 prices

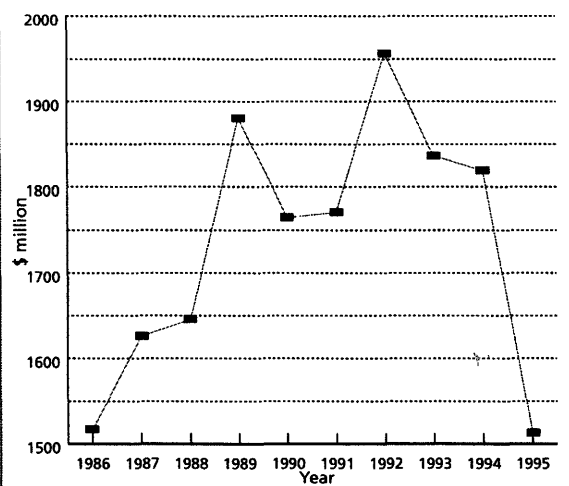
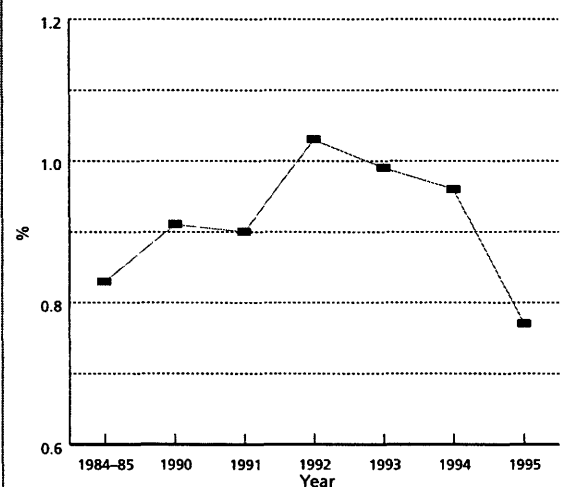


Figure 2: Aid - GNP



projects, but nowadays their role is normally one of facilitating and assisting the organisation in the host country that has the responsibility for the programme. In line with Sida's policy of recipient countries having ownership of their programmes, the contract should be negotiated and agreed between the consulting company and the organisation involved in the recipient country (such as the Ministry or Department of Forestry). This is now the case with most forestry programmes. Consultants are also used by Sida in the review and evaluation of projects and programmes.

There are other budgetary sources in addition to the country frameworks for programme countries, and these may cover assistance to natural resource management, including forestry. The most significant are the regional funds and the funds for special environmental assistance.

Funds for *regional assistance* are flexible and can cover assistance involving a number of countries (for example, the use and development of a common resource). Regional assistance can also be used to support human rights and democratic development. There are a few projects related to forestry which draw on these funds, a notable example being the assistance provided to the Mekong Secretariat.

Funds for *special environmental assistance* are primarily used for the development of methodologies for experimental and pilot projects and for strategically important projects, regional as well as single country, for which the country framework allocations are not appropriate (Sida, 1996). The intention is to complement other forms of assistance, primarily to the benefit of the programme countries (SIDA, 1992; 1995). One of the subject areas that has priority under the rubric of special environmental assistance is Sustainable Forestry. This programme supports a number of forestry assistance initiatives:

- An important forestry initiative funded from this source is the 'Forests, Trees and People Programme' (FTPP). This started in 1987, as a multi-donor trust fund, financed as a follow-up to the FAO/SIDA Forestry for Local Community Development Programme initiated in 1979. Now in its second phase (1995–8), FTPP has had an important influence on many of the major forestry programmes because of its focus on the need for integration of forest and tree resource management with other kinds of land use in rural development. Assistance is provided through FTPP to national and regional institutions working to strengthen local people's ability to manage and use their natural resources. The exchange of experiences among such institutions is another salient feature. The programme also commissions state-of-the-art studies and field manuals and guidelines covering different aspects of participatory forestry, such as tenure, monitoring and conflict management. For a number of years the FTPP was jointly managed by FAO and the International Rural Development Centre (IRDC) of the Swedish University of Agricultural Sciences (SUAS).¹ The programme has now expanded to include other donors who are funding activities in various parts of the world to enlarge its impact (FAO/Governments Cooperative Programme, 1995). A number of components of the FTPP are also being implemented by Swedish organisations; for example, the programme's work in East Africa is supported by SUAS, which also produces the English-language version of the *Forests, Trees and People Newsletter*.
- Environmental assistance funds also support the Forestry Regeneration Programme (FOREP), whose agenda also includes pilot activities and dissemination of experience. Its focus is on the sustainable use and regeneration of trees and shrubs in dry areas. During 1994–5 its activities and studies included the survival and growth of plantations, management of natural dry forest in Burkina Faso, and a seminar on plantations versus natural forests in East Africa.
- Support to a UNDP trust fund is provided to cover country capacity projects related to the development of national forestry sector strategies and plans. Support has also been provided for the Tropical Forestry Action Plan (TFAP) and activities directly related to TFAP in some programme

countries (Sida, 1995). Sweden was the lead donor agency in one of these countries, Nicaragua.

- FAO's Tropical Forest Resource Assessment programme is supported in relation both to forest inventories and country capacity building.
- The special environmental assistance programme also funds Swedish participation in inter-sessional activities of the Intergovernmental Panel on Forests (for example, preparing and hosting a multi-country workshop in 1996 on national forestry planning).

3.3.2 Department for Infrastructure and Economic Co-operation (DIEC)

This Department of Sida is responsible for the following two areas of assistance, which are of relevance mainly to forest industry development:

Transfer of technology and skills:² this programme focuses on the transfer of Swedish technology and know-how to developing countries and countries in Central/Eastern Europe which have reached an adequate degree of industrialisation. This is done by supporting training courses run by Swedish organisations and by financing Swedish technical assistance.

Technical assistance is provided only if it is requested by an organisation or company in the recipient country (see section 3.3.1). The assistance is provided by Swedish consultants, under a contract to be negotiated and agreed directly between the consultants and the organisation requiring the assistance. Local costs have to be covered by the recipient organisation, which should manifest the capacity to benefit from the assistance. Equipment is not normally provided but DIEC can assist in arranging credits on soft terms (from the Nordic Development Fund, for instance). These projects have usually focused on specific issues within a fairly narrowly-defined conception of forestry. Within the natural resources management sector, forestry has been the area in which demand for technical assistance has been greatest.

Support for commercial developments: in 1991 a programme was initiated to promote commercial and industrial development in developing countries and in Central/Eastern Europe.³ DIEC's involvement in forestry has been limited, but has usually involved a technical assistance component, either a Swedish enterprise similar to that in the recipient country, or a Swedish consulting company.

3.4 Multilateral assistance

Over the last ten years, approximately one-third of Sweden's aid has been allocated to multilateral assistance, and this reaches developing countries through international organisations – primarily United Nations programmes and funds and the international financial institutions. Responsibility for administering multilateral assistance is assigned to various government departments, as follows:

2. This programme was administered by BITS prior to the formation of Sida in 1995.
3. This programme was developed by SwedCorp which administered it until absorbed into Sida in 1995.

1. In 1996 IRDC was reorganised as a research department, the Department for Rural Development Studies, within SUAS.

- The *Ministry of Foreign Affairs* has overall responsibility for issues with implications for foreign policy. It is also involved in discussions and negotiations on important development assistance principles within OECD/DAC and on environmental principles related to the follow-up to UNCED. The Ministry also takes an active part in efforts to integrate UNCED recommendations with the activities of multilateral organisations such as the World Bank and the regional development banks, UN development programmes and the International Fund for Agricultural Development, and the European Union. Within the Ministry, Sida is involved in multilateral aid, including the provision of core support and assistance to separate thematic or regional projects and programmes. Organisations supported in relation to natural resources and forestry include CIFOR, ICRAF, IUCN and the Mekong River Commission.
- The *Ministry of Agriculture* is responsible for co-operation with FAO, the principal UN agency concerned with assistance to forestry.
- The *Ministry of Industry and Trade* is formally in charge of contacts with the International Tropical Timber Organisation (ITTO).
- The *Ministry of Environment* is responsible for co-operation with UNEP.
- The *Ministry of Finance* is responsible for co-operation with the World Bank, including funding of an environmental trust fund that has supported some World Bank forestry studies relating to Africa. (The Ministry for Foreign Affairs has the responsibility for IDA and the regional development banks and other financial institutions.)

3.5 Swedish non-governmental organisations

Swedish NGOs provide substantial amounts of overseas assistance, thanks in part to the generous terms of Sida support. If an NGO can present a sound project proposal, Sida is able to contribute up to 80% of the total cost. In 1994/95 the support from Sida to the NGO community amounted to almost SEK 1 billion.

NGOs involved in forestry fall into two main categories. One approach is indirect, involving NGOs whose main interest is in tackling environmental issues, but whose activities may have implications for forestry. The recipients may be local NGOs in developing countries, or international environmental NGOs.

The other category is NGOs with a primary interest in forestry issues and projects. There are only a relatively small number of Swedish NGOs of this type, most of their current projects being located in a few countries in Africa and Latin America. The most significant Swedish NGOs engaged in forestry assistance are *Afrikagrupperna*, *UBV*, *Vi skogeni* ('We Plant Trees'), *Lutherhjälpen* (Church of Sweden Aid), Friends of the Earth, *Framtidsskogen* ('Future Forest').

3.6 Swedfund

This organisation was not included in the reorganisation of Swedish development co-operation in 1995 and continues to operate independently under the Ministry of Foreign Affairs. It provides risk capital on commer-

cial terms for joint ventures between Swedish companies and local companies in developing countries as well as in Central/Eastern Europe. Its main objective is to promote the development of viable companies in these countries. The conditions are that GNP per capita should be below US\$ 3000, that a partnership must be established between the local company and a Swedish company, and that activities should not be harmful to the environment (Swedfund, 1995).

4. EVOLUTION OF SWEDEN'S FORESTRY AID STRATEGY

When an official Swedish aid policy was first formulated in 1962, the main aim was to improve the living conditions of the poor. This still remains the overall goal of Swedish development co-operation (Sida 1996). It encompasses six development objectives: economic growth; economic and social equality; economic and political independence; democratic development; environmental quality; and gender equality (Regeringen, 1996).

To provide guidance for Sida's approach to these objectives, four action programmes have been, or are being, formulated: environmentally sustainable development; gender equality; poverty reduction; and human rights and democracy. Within this framework, a number of strategic documents cover specific subjects and thematic issues. With regard to forestry some of the more relevant of these documents are '*Sustainable Management of Renewable Natural Resources*' (SIDA, 1992a), and '*Guidelines on Biological Diversity*' (SIDA, 1994b). A strategy document for forestry is now under preparation.

4.1 Evolution of overall aid strategy

Swedish bilateral development assistance can be said to have been characterised by a number of phases, reflecting different views and experiences regarding the strategic approaches to be followed. The initial project phase in the 1960s was characterised by projects managed by the Swedish International Development Authority (SIDA), the predecessor to Sida (see section 3.3), with Swedish project directors and Swedish technical experts working with counterparts from the recipient countries. The assumption was that the counterparts would eventually take over the responsibility for running the projects. Basically, all resources in terms of investments, materials, funding and technical assistance personnel were provided by Sweden. One problem with this approach was that the recipient country had no control over the project. Another was that these projects were not sufficiently related to the wider institutional and environmental contexts in the countries concerned.

In the 1970s, development assistance could be described as being in a 'programme phase'. Resources were allocated to the recipient countries in the form of *Country Frameworks* with clear objectives and budgets specified by the Swedish Parliament. These frameworks were to be applied to the programme countries where there was a commitment to long-term co-operation (Wilkins and Fahlen, 1990). The selection of countries was also made by the Swedish Parliament. Technical

assistance personnel from Sweden were provided on request. However, it was found that the recipient countries and organisations often did not have sufficient capacity to manage this kind of co-operation.

The 1980s could perhaps be characterised as a 'programme/project phase'. The concept of country frameworks remained, but with a set of projects and sector programmes identified and agreed for each period for implementation within the national framework of the co-operating country. These projects often had a technical assistance component, usually provided by consultants and consulting companies contracted for this purpose by SIDA.

In the 1990s the focus has been on the nature of the relationship between SIDA/Sida and the recipient countries and organisations. The intention is that responsibility for implementing a project or programme should rest with the recipient country (Wilkins and Fahlen 1990 and SIDA 1994) and that SIDA/Sida should assist with funds for equipment, technical assistance, etc. The co-operating country should also be responsible for planning, internal and external resource mobilisation, coordination of inputs from different donors, contracting technical assistance, etc. The concept of host-country 'ownership' is thus central to the new strategy. As a result of these changes, capacity building and competence development have come to the fore as strategic issues.

Since 1994/95 the country frameworks have become more flexible, so that resources not used within one country can be transferred to another. Flexibility is ensured through the use of indicative planning figures instead of fixed country frameworks.

Long-term co-operation between Sida and a co-operating country is now established in a *Country Assistance Strategy*. This reflects the views and expectations of the Swedish Government about its co-operation with the recipient country (Utrikesdepartementet 1995), and forms the basis for negotiations and agreement between the two in a *Country Development Co-operation Plan*. By contrast with the previous situation, country strategies may also be prepared for countries which are not programme countries if it is expected that sizeable amounts of Swedish assistance will be channelled to them.

Another innovative concept is *Sector Programme Support* which can be included in a Country Assistance Strategy, and eventually in the Country Development Co-operation Plan. The strategic rationale for this form of assistance is that it can:

- encourage the recipient government to take the lead, and to use the foreign exchange provided by Sweden in accordance with government priorities;
- secure a realistic and constructive dialogue;
- contribute to better donor coordination;
- achieve a better relationship between financing development in a particular sector and the country's macro-economic objectives;
- render the use of resources spent in a sector more transparent;
- facilitate long-term financial sustainability in the chosen sector.

In the development of sector programme support, the analysis undertaken at project and sector level is

combined with a macro-level approach. As compared with the forms of assistance employed in the 1970s and 1980s, this implies longer-term and broader co-operation. Assistance should be disbursed through the recipient government's institutions in the sector, and within this framework it can be directed to both earmarked activities and/or the sector in general. In most cases, sector programme support will evolve from previous programme/project-oriented support, provided there is evidence that policy and institutional conditions are conducive (Department for Policy and Legal Issues, 1995).

Other important strategic principles guiding Swedish overseas assistance include *biodiversity* and *participation*. The biodiversity principle states that the effects of assistance on biodiversity 'shall, where relevant, be explicitly considered by all programmes in all sectors', and that Sida shall 'give priority to biodiversity within areas of biological production, and assistance should be targeted at the sustainable use of biodiversity'. This latter quotation makes clear that biodiversity is being targeted for productive use and not for conservation as an end in itself. This contrasts with the view of biodiversity that tends to prevail in forestry within Sweden. Important tools in this context are *environmental impact assessments* and *environmental economic analysis*.

4.2 Shifts in the strategy of forestry assistance

Swedish assistance to forestry began in the 1960s with the assignment of a number of Swedish foresters to work with FAO, and on FAO/UNDP projects in countries such as Tunisia and Lesotho. Assistance also included funding of training courses implemented by FAO in forest administration and forest inventory through trust fund arrangements. In 1969, SIDA sent missions to Tanzania, Kenya and Ethiopia, to investigate the possibilities for direct bilateral aid to the forestry sector. Bilateral assistance to forestry eventually began in Tanzania, Ethiopia and Vietnam in the 1970s.

4.2.1 Evolving development goals in the forest sector

In the 1960s and early 1970s there was a belief that forestry could play the same role in the development of tropical countries as it had in Sweden. These ideas were very much in line with prevailing development theory which focused on development through industrial growth, and with the application of this theory to the forest sector as presented in the paper by Westoby entitled 'The role of forest industries in the attack on economic underdevelopment' which was published in the 1962 FAO report, *The State of Food and Agriculture* (Persson, 1993).

In practical terms this meant that forestry assistance was initially focused on industrial processing, plantations with fast growing species, logging techniques and the training of forest workers. Countries that received Swedish bilateral assistance along these lines were Tanzania, Mozambique, Guinea Bissau, India, Laos and Nicaragua (Noren 1982). The most significant

project in this era was the establishment of a pulp and paper mill at Bai Bang in Vietnam. This project, which was the largest in which Swedish development assistance had been involved (Björkman, 1996), included all the above forestry and forest industry components.

In the late 1970s the focus gradually shifted towards community forestry. This was in response to the growing recognition of the limitations of an industrial strategy and of the need to pay more attention to rural development. The reorientation was very much in line with the growing international concern, in the 1970s, with the fuelwood situation, and the issues of land degradation and desertification. SIDA took an active part in the debate on these topics, co-sponsoring a series of international meetings, and funding the FAO/SIDA Forestry for Local Community Development (FLCD) Programme that was set up to explore and test suitable responses.

Swedish bilateral aid focused on support for tree planting, and encouraging farmers to grow trees to meet their own needs (Persson, 1993). Countries that received Swedish bilateral assistance with this as an objective included Bangladesh, Tanzania, Ethiopia, Kenya, Guinea Bissau, Lesotho and India. Sweden also contributed to tackling the problems of desertification, soil conservation and fuelwood shortages in the Sahel region through support to UNSO (Noren, 1982).

During the 1980s increasing emphasis was placed on people's participation in community and farm forestry. There were several reasons for this. One was the recognition that participation was necessary in order to secure the commitment of local villagers to a project. Another was the argument that the prospects for achieving sustainable management depended on villagers having responsibility for decisions about their local resources, including forestry and the use of forest land.

This shift in focus has been accompanied by increasing attention to the creation of an institutional framework supportive of local development. Issues such as land tenure and users' rights have been emphasised, along with the need for more integration between the different sectors. Many programmes that were originally mainly tree-oriented have gradually changed to incorporate agriculture, horticulture and other components. At the same time, other programmes that were initiated as assistance to agriculture or soil conservation, have also broadened their approach. Much assistance to forestry now takes place within projects that Sida classifies as being parts of rural development programmes in the natural resources management sector. Instances where there have been such changes over the last decade include the forestry programmes in Vietnam, Tanzania, Ethiopia, India and, to some extent, Laos.

However, not all Swedish forestry country programmes have evolved towards a rural development approach in the ways outlined above. In Nicaragua, which has received assistance for forestry since 1980, the focus, from the beginning, has been on the forest industry, and on institutional development in the forest sector.

Another important influence on forestry assistance has been Sweden's longstanding concern with environmental issues. In 1972 Sweden hosted the UN Conference on Human Environment which brought the

industrialised and developing nations together to delineate the rights of the human family to a healthy and productive environment. (WCED, 1987) In 1987, the Nordic Conference on Environment and Development was organised in Stockholm, with participants from NGOs, Governments and Parliaments of both the Nordic countries and their most important co-operating countries in the Third World, and senior representatives of international organisations. This conference was closely related to the presentation of *Our Common Future*, the report of the World Commission on Environment and Development. This conference was an important step towards Sweden's fifth development objective regarding environmental quality, which was adopted by the Swedish Parliament in April 1988. With regard to assistance to forestry, the emphasis on environmental objectives increased substantially from 1988/89 onwards.

As a follow-up to the United Nations Conference on Environment and Development (UNCED), a working group was appointed by the Minister for International Development Co-operation with the task of putting forward principles, guidelines and working methods as to how Agenda 21 of UNCED could be integrated into Swedish development assistance. With regard to forestry it was recommended that Swedish assistance should actively contribute to the efforts in Third World countries to develop policies for sustainable forestry, as well as to the normative work of FAO (e.g. forest resource assessment and the development of norms regarding forest resource utilisation and the development of National Forestry Plans). Sweden was also to support the follow-up by the UN system of the non-binding forest principles that were adopted by UNCED, including the monitoring of their practical application. In addition, special attention was also to be paid to developing methods for local forest management and forest regeneration, particularly in dry areas (Utrikesdepartementet, 1994).

Sida has paid special attention to dryland forestry through the support of FAO and UNSO soil conservation projects in the Sahel (countries such as Burkina Faso, Niger and Senegal). These were not programme countries and the projects have now been phased out as it was realised that more resources were needed for comprehensive implementation than were available. However, Sida still maintains interests in land use and land management in dry areas, but with a focus on the development of methodology which requires fewer resources. Important arguments for this strategic priority are the heavy concentrations of population in the dry areas and yet their relative neglect by the donor community as compared with the tropical rainforests. An example of assistance with methods development is FOREP, the Forestry Regeneration Programme, which supports research on the natural regeneration of dryland forests.

4.2.2 Encouraging political commitment and capacity in forestry

A prerequisite for success of the plan to hand over more responsibility and ownership to the recipient country is that the latter should have a firm commitment to developing the forestry sector. This requires:

- a plan or strategy for the development of the sector;
- capacity to develop and institutionalise knowledge;
- capacity for monitoring, control and guidance;
- capacity to combine domestic resources with external resources including donor coordination (Persson 1996).

In its dialogue with cooperating countries Sweden has also emphasised the importance of their having credible policies and strategies. In doing so, it has drawn on its own experience of developing and implementing an effective forest policy primarily by means of legislation and extension. Subsidies have only been used to a limited extent and have normally been financed by the forestry sector itself. Sweden has supported national forest resource inventories, as part of the process of developing the data needed for policy, planning, management and monitoring of sustainable and profitable development.

Swedish forestry assistance in the programme countries is often both proactive and reactive. It is *proactive* in the sense that the Country Assistance Strategy document, which sets out the Swedish position in negotiations leading to a Country Development Co-operation Plan, is a Swedish initiative. It is *reactive* in the sense that the details of the programme of co-operation should be proposed by the relevant authority in the recipient country. Laos, Vietnam and Nicaragua are examples of programme countries where the relevant authorities have been responsible for preparing and implementing their forestry co-operation programme, in accordance with a general agreement on development co-operation with Sweden.

4.2.3 Other strategic initiatives in forestry assistance

Sida updates and refines its strategies in a number of other ways:

- via support to CGIAR and other international institutions that are carrying out strategically related research and analysis;
- via support to and participation in the work of the post-UNCED Intergovernmental Panel on Forests (IPF) and its inter-sessional activities;

- through collaboration with other donors, agencies or non-governmental organisations (currently, a strategically important programme is the FAO Forests, Trees and People Programme (FTPP), initiated in 1987, in which Sida and other donors participate (see section 3.3.1));
- Sida's support for forestry research also serves a strategic role, tackling knowledge gaps relevant to strategy formulation and increasing research competence in Sweden as well as in recipient countries (see section 6).

5. REGIONAL AND THEMATIC DISTRIBUTION OF PROJECTS

5.1 Regional distribution of projects

In 1995 approximately 130 countries were receiving aid from Sweden through bilateral, multilateral and other forms of assistance, including aid for disaster relief and support for democratic development (Sida, 1996). The geographical distribution of assistance through all these channels in 1994/95 (SEK 13 billion) is shown in Figure 3.

Bilateral assistance to programme countries

Figure 4 shows the geographical distribution of the approximately SEK 8.8 billion disbursed by Sida in 1994/95. A large share, almost SEK 3.8 billion, was for programme countries, of which 13 were in Africa, 5 in Asia and 1 in Latin America. Assistance to forestry forms part of the natural resources management sector of this aid, which amounted to SEK 700 m., about 19% of the funds spent on programme countries (Sida, 1996).

Programme countries are selected through the political process in Sweden, reflecting such overall objectives for Swedish development assistance as the focus on poverty. Of the 19 programme countries, 13 are among those classified by the World Bank as the world's poorest countries.

The expenditure on forestry projects within country programmes is shown in Table 1.

The background to the forestry programmes in the programme countries varies. Important factors in shaping a programme have included the potential for

Figure 3: Geographical distribution of Swedish development assistance 1994–95

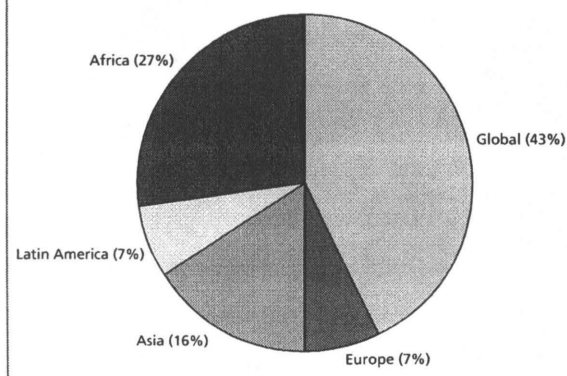


Figure 4: Geographical distribution of development assistance through Sida 1994–95

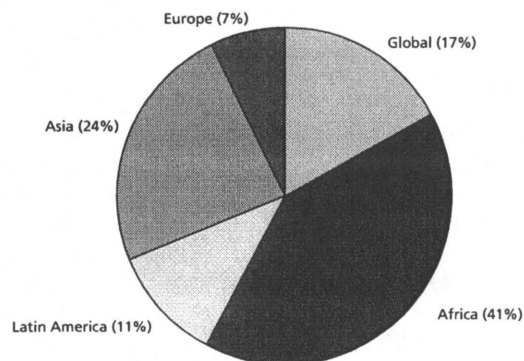


Table 1: Forestry assistance by programme countries and year (SEK m.)

Country	85/86	86/87	87/88	88/89	89/90	90/91	91/92	93/92	93/94	94/95	Total
Ethiopia	32	48	48	58	50	8	5	2	10	13	274
India	110	61	51	144	144	101	84	127	94	58	974
Laos	22	25	18	19	14	19	20	35	37	19	228
Nicaragua	15	22	49	36	22	35	39	37	29	6	290
Tanzania	21	34	23	20	34	39	38	40	36	25	310
Vietnam	153	113	107	83	123	32	50	32	35	43	771
Total	353	303	296	360	387	234	236	273	241	164	2847

forestry, complementarity with the activities of other donors in the sector, the institutional environment, and the priority attached to forestry in the country's requests for assistance. On occasion, public opinion and political influence have also had an influence. For example, a forestry programme in Bangladesh was criticised in the Swedish media as having adverse effects on ethnic minorities. Since satisfactory changes could not be negotiated, the assistance was terminated.

It is noteworthy that the largest share of forestry assistance (Table 1) has been for Asian countries, while for Swedish bilateral development assistance as a whole, the largest share has gone to Africa (Figure 4). The principal reasons for this are the large size of the Bai Bang Pulp and Paper Mill project in Vietnam, and of the programme of assistance to India where substantial support has been provided to social forestry.

Assistance to other countries

Countries other than programme countries that have received significant amounts of Swedish assistance include Chile, the Dominican Republic, Ecuador, the Philippines and Costa Rica. This assistance has included over SEK 80 m. for forestry over the last ten years, most of it for the transfer of technology and skills through the former BITS (see section 3.3).

Recent assistance of the kind formerly administered by SwedCorp has included a three year programme of support for commercial development of sawmills in Chile (SEK 1 m./year), and a project in Bolivia providing SEK 20 m. per year for the local forest owners' association, also over a period of three years.

Countries to which Swedfund has provided commercial high-risk credits for joint venture projects include Guinea Bissau, Argentina, Tanzania, Rwanda and Bangladesh. These credits have been for various forms of wood-processing (sawn timber, boards, veneer, matches, etc.).

5.2 Thematic distribution of projects

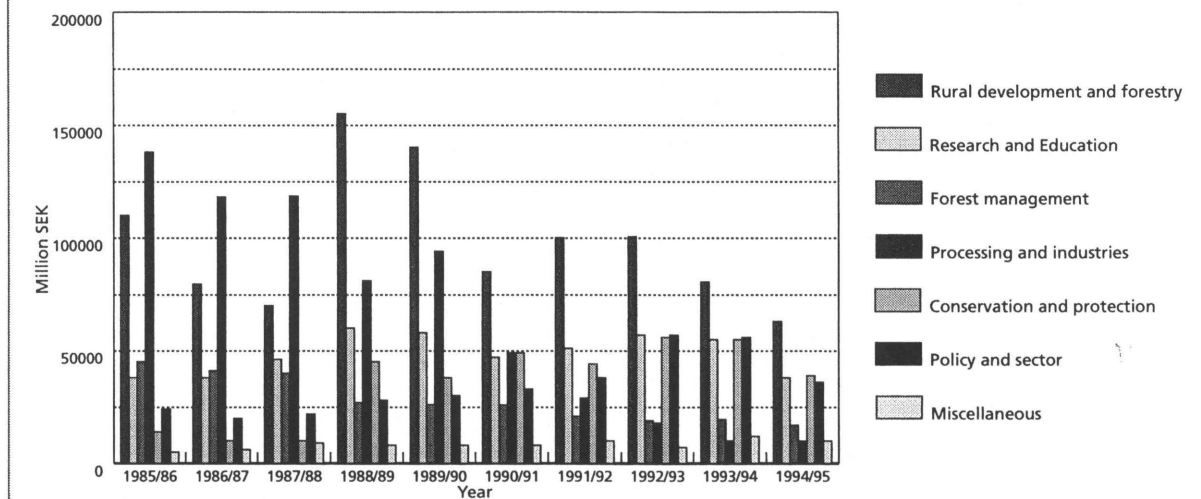
There is no common definition or classification of forestry projects in receipt of Swedish assistance. The classification used below largely reflects the availability of data in, and the guiding principles of, the two main aid organisations – the Natural Resources Management and Industry Divisions of SIDA/Sida, and the former Swedish Board for Investment and Technical Support (BITS).

- **Rural development and forestry:** social forestry projects, including forestry projects that support other sectors e.g. agriculture and animal husbandry. Extension and its development are often important components and the project area is normally geographically defined. Rural development programmes with only small forestry components are not included (e.g. assistance to soil conservation and agriculture in countries like Kenya, Lesotho and Zambia).
- **Research, education and training:** forestry projects where these activities are the lead components (forestry research and training components of non-forestry projects are not included).
- **Forest management:** projects with silviculture, logging and local inventories in both natural and plantation forests as well as support for plantations and reforestation.
- **Processing and industries:** projects concerned with processing of forest products, including non-timber forest products for commercial purposes.
- **Conservation and protection:** projects aiming at conservation of biodiversity and protection and management of watersheds.
- **Policy and sectoral:** these are projects supporting policy and sectoral strategy development including operational aspects. Institutional assistance to organisations involved in policy and strategic work is included as is support for national forest resource inventories
- **Miscellaneous:** these include broad consultancy studies and technical assistance related to general issues in development assistance. Support for the preparatory phase of forestry programmes is also included.

Estimates of total expenditures from 1985/86 to 1994/95 in each of the six fields of activity are provided in Figure 5. These estimates include programme countries as well as those that received assistance from the former BITS. The trends over the decade reflect changes in priorities and forms of assistance as follows:

- The large decrease in support for forest industries is mainly due to the completion of the Bai Bang Pulp and Paper Mill in Vietnam. It also reflects a shift in emphasis towards supporting institutional development aimed at making such investments profitable, rather than support to funding of the investments themselves.

Figure 5: Swedish bilateral forestry assistance to tropical countries 1985/86 – 1994/95



- Assistance to rural development forestry has been reduced since 1989/90 mainly because of changes in the social forestry programme in India. The reduction does not reflect any shift in priorities.
- Support for conservation and protection has increased as a result of a decision by the Swedish Parliament in 1988 to add an additional objective, environmental quality, to its list of priority concerns.
- The increase in policy and sectoral development assistance reflects a recognition of the importance of the creation of an enabling institutional environment if aid is to be effectively deployed.

Box 1: Sida-supported projects and activities in programme countries 1985/86–1994/95

Ethiopia

Disbursement: MSEK 214

The dramatic political change that has characterised Ethiopia during this period has also had a profound influence on the content of the programme. In 1985/86 assistance was provided to FAWDCA (Forestry and Wildlife Development Conservation Authority). This also included training of foresters at Diploma level in the Wondo Genet Forestry Resource Institute. Assistance was also provided to a soil conservation project in the Borkenna watershed area in Welo region. This project eventually evolved into a major rural development programme for Welo region. Since 1990/91 assistance has been reduced and limited to forestry sector support and assistance to management of natural resources, primarily in terms of projects for strengthening forestry research and education.

India

Disbursement: Total MSEK 974

The major share of assistance for the period went to the Social Forestry Programmes in Bihar, Orissa and Tamil Nadu. The activities included establishment of village forest/wood lots and rehabilitation of wasteland and degraded forests. The ambition of improving peoples' participation and influence was gradually given increasing attention. Method development, capacity building and extension have also been part of the programmes to varying degrees. Other projects related to forestry are the PAHAL project (Participatory Approach to Human and Land Resource Development) in Dungapur district in Rajasthan and TGC project (Tree Growers Co-operative) which began in 1991/92. TGC are assisting the establishment and development of co-

operatives among tree growing farmers for the purpose of processing and marketing of the material from the trees. The project is to some extent inspired by the co-operative movement among Swedish forest smallholders. (ref. Dahlgren, S., Michanek, E., Idemalm, A. (1992) År biståndet effektivt, Bistånd utvärderat nr 1/92, SIDA & ref. Anon (1993) Indien, Fact Sheet, SIDA)

Laos

Disbursement: Total MSEK 228

At the start of the period under review, assistance was primarily for State Forest Enterprises and the Ministry of Industries, Handicraft and Forestry. Activities included inventories, planning, transport, vocational training and silviculture etc. In 1988 assistance was expanded and included components to address development issues related to shifting cultivation and nature conservation.

The Lao–Swedish Forestry Cooperation Programme phase III covered the period 1991 to 1995 and included additional activities such as capacity building in management, donor coordination, extension development at central level (the Ministry of Agriculture and Forestry and the Department of Forestry), National Forest Resource Inventories, Joint Forest Management, Silviculture, Forest Resource Conservation, Stabilisation of Shifting Cultivation etc. The support to forestry was in a transitional stage during 1994/95 while phase IV was under preparation.

(ref. *Elephants don't rust*, Lao Swedish Coop Progr. 1988–90, Proposal on Conceptual Programme Outline for LSFP phase IV 1995–1999)

5.3 NGO assistance to forestry

Major NGOs providing support for forestry projects have included the following: the Africa Group for Mozambique and Namibia; Vi-skogen for Kenya, Tanzania and Uganda; UBV for Ecuador and Bolivia.

In addition, NGOs supporting rural development have sometimes included forestry components in their projects. NGOs linked to the Swedish churches have figured prominently in this group.

Sida contributes a substantial amount of funds to Swedish NGOs. Support for forestry is included under the rubric of agriculture, expenditure for which amounted to approximately SEK 130 m. in 1994/95.

6. RESEARCH AND TRAINING

6.1 Swedish Agency for Research Co-operation with Developing Countries (SAREC)

Assistance is provided to both national institutions in developing countries and international research organisations in response to requests that fall within SAREC's priority areas for forestry research. Swedish research institutions can also apply for funding for research projects related to developing countries. SAREC's general priority areas are food security and biodiversity. Priorities for forestry research range from these general

issues to more specific topics such as land management in dry areas. Research on tropical rain forests now has less priority for Sida support, mainly because a great deal of attention is being given to this by development co-operation organisations in other countries.

Three components of the programme of assistance to forestry research through SAREC can be distinguished (SAREC, 1995):

- (i) Approximately SEK 17 m. was provided during the period to countries where Swedish research institutions were also involved in forestry-related research. Examples include:
 - Malaysia: hydrological and nutritional changes as a result of the conversion of tropical rain-forests to plantation forests; selective logging and silviculture in tropical rain forests;
 - Kenya and the Sahel region: agroforestry;
 - India: tree tissue culture;
 - Ethiopia: propagation from seed of selected indigenous trees with low germination rates or short viability;
 - Other countries supported under this rubric include Costa Rica and China.

The main forestry research institutions, apart from SAREC itself, are located in the Universities of Lund, Uppsala, and the Swedish University of Agricultural Sciences (SUAS) at Uppsala and Umeå.

Box 1 continued

Nicaragua

Disbursement: Total MSEK 290

Assistance to the forestry sector dates back to 1982. It changed in 1986 from a focus on development of a national plan for the forestry sector and support to education and rehabilitation of the forest industry to a focus on production targets. In practical terms the assistance to industrial production increased, while assistance to education and forest management was reduced and for sector planning almost insignificant during 1985/6–1988/9. From 1988/9 this gradually changed with increasing support for planning and also for forestry education/training and forest management. Between 1988/9 and 1991/2 the assistance to forest industries was phased out. A special case with Nicaragua as compared to the other country programmes is the absence of a significant rural development component. Another distinguishing feature is the development of a National Forestry Action Plan in 1993, where Sida was the lead agency on the donor side.

Tanzania

Disbursement: Total MSEK 310

In the beginning of the period a large share, approximately 35% of the assistance, was for the paper mill in Mufindi. Assistance to forestry, rural development and conservation has been a part of the programme throughout the whole period, particularly during the later stages. This has included (1) soil and water conservation in the HADO project (Hifadhi Ardhi Dodoma) in the Dodoma Region, (2) support to the Community Forestry Section of the Forestry and Beekeeping Division of the Ministry of Tourism, Natural Resources and Environment and (3) a Regional Community Forestry

Programme. Assistance to training and education has also been included, both for forest workers and forestry institutions as well as the Manpower Section of the Ministry. Of a more recent date is a large rural development programme "LAMP" (Land Management Programme) in the Babati area. This new programme has a district-level focus with less emphasis on central support.

Vietnam

Disbursement: Total for MSEK 771

Support for most of the period was focused on Sweden's assistance to the establishment of the pulp and paper mill in Phu Ninh in Vinh Phu Province generally referred to as the Bai Bang Paper Mill. An early concern was the supply of raw material for the mill and this was the primary reason for initiating assistance to forest management in the early 1980s. In the late '80s support to social forestry was begun.

The Vietnam–Sweden Forestry Co-operation Programme that began in 1991 changed the focus of the activities drastically, becoming more of a rural development programme with a focus on poor people in the mountainous areas in the provinces of Vinh Phu, Tuyen Quang, Ha Giang, Yen Bai and Lao Cai. The new direction that evolved was also a reflection of wider political and economic changes in Vietnam, with a move away from centralised planning and an orientation towards the market economy. A significant step was the allocation of land to individual farm families that began in this period. Participatory methods were tried and developed together with local authorities and organisations involved in forestry, agriculture, horticulture etc. In 1994/95 a new programme was under preparation ('the Mountain Rural Development Programme').

- (ii) A substantial amount has been allocated for forest-related research, without the involvement of Swedish research institutions, in Zimbabwe, Ethiopia, Tanzania and Nicaragua.
- (iii) Funding for forestry research has been provided to international institutions such as CIFOR, ICRAF and the African Academy of Science.

6.2 Training through Swedish institutions

During the 1960s there was a special SIDA Fellowship Section for students from developing countries who wanted to study in Sweden. However, excessively low levels of reabsorption of former fellows into their national systems led to a shift in the focus of training to the development of training facilities in the recipient countries. Training may be organised in Sweden for an interim period for students from a particular country, an example being the MSc. programme for forestry students from Ethiopia implemented partly by the Agricultural University of Alemaya in Ethiopia, and partly by SUAS in Sweden. This arrangement is temporary and will continue only until the programme has been developed and can be fully implemented in Ethiopia.

In addition, fellowships are sometimes provided within the forestry co-operation programmes for short courses at regional training and research centres, e.g. RECOFTC in Bangkok and ICRAF in Kenya. Transfer of technology and skills may also be effected through short courses provided by Swedish organisations.

7. PROJECT CYCLE MANAGEMENT

7.1 Prerequisites for project proposals

The ways in which Swedish development projects are generated reflect the evolution in development co-operation and practice reviewed in section 4. Swedish development co-operation over the last 30 years has been influenced both by changes in the balance between projects and programmes, and by changes in the managerial roles and responsibilities of the various actors involved. In practice this means that projects outside country programmes are generated in different ways from those covered by Country Development Co-operation Plans.

Projects administered by DIEC to provide technical assistance and the transfer of Swedish know-how are initiated by requests from prospective recipients, and can be considered by Sida only if they are within the guidelines set down for funding Swedish technical assistance (see section 3.3.2). Projects in support of research (SAREC) are also funded in response to specific requests, and again must conform with certain priorities (see section 6.1).

In order for proposals for forestry projects which are intended to form part of a Country Co-operation Development Plan to be considered, it is important that there should be a credible national policy for the sector, in terms of both commitments and the operational capacity to implement the policy. A strategy for the sector in the form of a National Forestry Action Plan (or similar) as well as intersectoral strategies (e.g. a National Environmental Action Plan) are important documents in this context. Where a policy and strategy are lacking, Sida may support their development. Sida

emphasises that the recipient country must be in charge of this process, in order to ensure its future commitment to it, and also to demonstrate its capacity to deal with strategic and policy issues on a continuing basis through planning and research at the central level (Persson, 1996).

If a country already has a convincing forest sector strategy, and a mechanism for donor coordination, Sida may provide assistance for the implementation of this strategy in areas which accord with its priorities. These are:

- natural resource management in a rural development context;
- capacity building in terms of developing research and formal training/education in forestry;
- creating an institutional framework that enables the productive and profitable commercial use of forestry for generating employment.

7.2 The project cycle

Projects and programmes, if they are compatible with whichever of these strategy frameworks and prerequisites is appropriate, are then subject to a broadly similar process of appraisal and further preparation, as follows:

- (i) The request, often supplemented by a pre-feasibility study, initiates an *idea preparation* process in Sida, which leads to an *idea memorandum*. This document either rejects the proposal/request or recommends that preparation of the project should continue.
- (ii) The next stage, now referred to as '*project support preparation*' (SIDA 1990), includes an appraisal of the project and its design. If the appraisal does not raise serious concerns, a '*project support memorandum*' is prepared.
- (iii) If the project support memorandum is approved by Sida, the final stage is the negotiation of a '*specific agreement*' to proceed with the project.

In recent years, increasing emphasis has been placed on the use of the Logical Framework Approach (LFA) to reflect the revised roles of Sida, the recipient country, and the consultants involved. The recipient country is expected to present a proposal in LFA format, which Sida appraises in the context of Sweden's development co-operation strategy for the country and Sida's policy for the forest sector. In this process the idea memorandum and the project support memorandum are supplemented with an assessment memorandum, and Sida's Project Committee will make the final recommendation to the Director-General as to whether a '*specific agreement*' should be negotiated for that project.

Once there is a specific agreement, the project is regularly monitored through joint reviews. There are annual (and sometimes semi-annual) reviews, which involve the relevant local authorities and organisations and include participants from Sida's in-country representation at the Swedish Embassy and often also from headquarters. These reviews result in agreed minutes in which Sida and the relevant organisations and authorities in the co-operating country report their conclusions about the progress made by the project, and agree on any modifications and changes which may be

required. In addition, large projects usually have a more ambitious mid-term review.

Different kinds of evaluation are also carried out as part of the project cycle. Thematic evaluations focus on special components in the project, and serve the purpose of guiding the project during its implementation. Other evaluations focus on issues related to the objectives of

Swedish development assistance. These could be carried out during the life of a project as well as *ex post*, and primarily serve Sida's purposes and those of Swedish development assistance in general. Finally there are also *ex post* evaluations of individual projects, the results of which can provide valuable inputs for the preparation of new projects.

Box 2: Review of Vietnam – Sweden Forestry Co-operation Programme 1991–4

The programme (FCP) consisted of several different projects or components falling into two major categories. The first category consisted of five provincial 'Farm Level Forestry Projects' and a 'Plantation and Soil Conservation Project'. The other category was intended to be support projects for these 'implementation' projects but, to varying degrees, with rather broader scope. These projects or components covered research, training, extension, business development and land use/land management. Apart from these major categories there was also assistance for activities or components providing general programme management support. At the central level a project with the Ministry of Forestry was also included in the FCP.

The Review Team concluded that the participatory rural approach (PRA) which had been introduced had the effect of widening the scope of the **Farm Level Forestry Projects (FLFP)** to include not only forestry but also agriculture and animal husbandry, in recognition of the diversified and integrated needs of the Vietnamese farmers. The PRA resulted in the establishment of village institutions and village development plans for mobilising the resources required for land use development in terms of credits, training and inputs. The Review Team concluded that this approach to extension was not only a potential model for Vietnam but also for extension institutions elsewhere. Closely linked to the Farm Level Forestry Projects and the development methods regarding extension and village credit schemes in the provinces, was a central extension component, the 'Extension Support Group', which the Review Team found to have been much appreciated at all levels.

The **Plantation and Soil Conservation Project** which was originally set up to help ensure the supply of raw materials to the Bai Bang Pulp and Paper Mill, provided support for Forest Enterprises in the five programme provinces. Apart from assistance to these Provincial and State controlled Forest Enterprises, the project was involved in special planting activities for soil conservation and watershed protection purposes as well as high value timber plantations. The Review Team concluded that in general terms the share of planted trees for wood production was increasing at the expense of natural forest logging and that the wood balance for the programme area had improved.

The **Land Use and Land Management Project** was intended as a support for the implementation of land allocations as a result of the new land law of 1988. The Review Team concluded that a centralised system of land use planning prior to cadastral surveys and land allocation was practised and questioned whether the PRA introduced in the FLFP could be developed and applied in village-based land use planning.

The **Training Project** was considered as a valuable support for other components of the programme and had developed a capacity for organising training without the need for an external long-term technical assistance input. The difficulties

of the Training Project were related to its ambiguous position in the Vietnamese system. The Review Team also concluded that the implementation of a Human Resource Development System was 3 years overdue.

The support for research at the **Forest Research Center** already established and developed during previous phases of the FCP was considered by the Review Team as an important aid to Vietnam's capacity for research in farming systems, soil and water conservation, and commercial forest plantations. The team expressed concern, however, at the poor linkages between the Center and the rest of the FCP.

Business development, originally a part of the Plantation and Soil Conservation Project, evolved as a separate support component during the course of the programme. It was felt that with the economic transition, with the farmers becoming the basic production unit, in contrast to the previous centrally-controlled co-operatives, there would be a need for improved market information. The Review Team concluded that this component had difficulties in finding a relevant counterpart structure in Vietnam, but that the need for this kind of input from FCP had never been more urgent. **The Ministry of Forestry Projects** consisted of two components, one for staff development and for improving working conditions at the Ministry of Forestry headquarters and the other for the establishment of forest ecosystem conservation models. It was not possible to implement this project as intended, partly because of overlaps with another Sida supported project the "Strategy Project", which was not part of FCP. The strategy project was working with policy development at the Ministry and in the opinion of the Review Team the two projects should have been subject to a joint review.

The Review Team found that the FCP had had considerable impact at the policy level, contributing to policy reform in forestry, extension and land reform. Also in terms of institution building (particularly regarding extension at provincial and district level) the Review Team found that the FCP had had an encouraging impact. According to the Review Team, one of the major weaknesses of FCP was its organisation. The Programme Board with representatives from the Ministry of Forestry, the General Department for Land Management and the Provincial Peoples' Committee was not functioning as required. The Review Team was also concerned at 'by pass' solutions in the programme design. Programme monitoring and reporting was also considered to be inadequate. The Review Team concluded that FCP had high relevance for development in the sector. Given the anticipated development over the next five to ten years in Vietnam with privatisation of land, increased reliance on farmers as the managers of natural resources and the concentration of public sector activities on policy, regulation, institutional and human resource development and monitoring, the future relevance of a new programme was judged as potentially even higher.

8. PROGRAMME REVIEWS

Sida seeks to use its reviews and evaluations for three main purposes: monitoring and control, learning lessons, and competence development (Sida 1995). Monitoring and control mainly assist those who are accountable to Sida's Board, to Parliament and ultimately to the country's citizens. Learning is said to be primarily for those within Sida, and those who are operationally involved in different programmes and projects. Competence development in this context refers to more general and fundamental processes regarding the potentials and limitations of development co-operation. It is primarily organisations, experts and researchers concerned with general development issues who benefit from this aspect of the evaluation and review process (Sida, 1995).

Within Sida the Department for Evaluations and Internal Audit (DEIA) has the overall responsibility for evaluating Sida's development assistance. Each year, an evaluations plan is established by the DEIA in consultation with other departments. For 1996 the plan included six programme/project evaluations, one cross-sectoral thematic evaluation, and one *ex post* evaluation. All of these were of some relevance to forestry. Of particular interest was the *ex post* cross-sectoral study which was to evaluate Sweden's support to the Bai Bang Pulp and Paper Mill – a programme that excited some controversy in the mass media during its implementation in the 1980s (Sida, 1995).

Among recent studies that have had an important influence on the direction of forestry assistance in programme countries, the 1992 evaluation of the forestry programme in India warrants particular mention. This programme basically consisted of fairly large social forestry projects in three States. One important conclusion of the evaluation was that these projects did not sufficiently involve the intended beneficiaries – poor farmers and the landless. The activities were characterised as being successful in generating employment by creating a large number of labour days in planting trees, but with little prospect of becoming sustainable social forestry activities. Furthermore, the organisational units established through the projects were judged to be relying too heavily on foreign exchange inputs, with adverse implications for both sustainability and replicability (Chaffey *et al*, 1992). This finding led to a significant reduction of Swedish assistance to this type of social forestry project in India.

A common finding of the regular reviews and evaluations of forestry programmes over the last two decades is that their coverage has tended to gradually broaden, initially to include social forestry or farm forestry components and eventually also agriculture and animal husbandry. The programmes have therefore become more like rural development programmes within the natural resource management sector. Simultaneously, the importance of institutional development and the development of relevant policies has come more strongly to the fore. This experience has had strategic implications in that recent programme preparations in some of the programme countries have broadened considerably in approach from conventional 'forestry'. Box 2, which summarises results from the mid-term review of the Forestry Co-operation Programme in

Vietnam, illustrates this trend, as well as some country-specific findings. The new programme in that country, which formally began in 1996, is now referred to as the Vietnam-Sweden Mountain Rural Development Programme.

A thematic study with implications for forest policy and strategic planning – a priority area in Swedish forestry assistance – is the evaluation of the National Forest Inventory in the Lao-Swedish Forestry Co-operation Programme. The achievements in terms of competence development were quite satisfactory, but at the same time the project was questioned on the grounds of the insufficient institutional links to policy-making and strategic planning. This finding has apparently also been reported from similar donor-supported projects in other countries (Nilsson, 1994). Sida's response has been to try to develop approaches that will put national forest resource inventories into a wider institutional context of policy development and strategic planning.

9. CONCLUSIONS

Sweden's large forest resources provide the basis for a substantial part of its economic activity. In achieving this position, the country has acquired considerable experience in developing policies, institutions and practices to deal with a situation of both overuse and degradation of forest resources, and of subsequently harnessing them to the broader development of the local and national economy. It brings this and other aspects of its experience to bear in its assistance programme to the developing countries.

Swedish assistance to forestry attaches high priority to assisting developing countries to increase their capacity to make decisions about and to manage their forest sector. The assistance programme also encourages the integration of forestry into rural development. Another basic tenet of the assistance is that it should help create the conditions that enable forests and forest land to be used sustainably both by poor people who depend on this resource for their livelihoods and also as a source of employment and income through the development and operation of forest industries.

An important part of this is a credible national policy for the sector in terms of both the content and the processes by which policies are formulated, operationally implemented, monitored and reviewed. As a consequence, the current priorities for Swedish development co-operation are likely to concentrate support on the following three main areas:

- forestry as a component of natural resource management in a rural development context;
- capacity-building in strategic planning, policy formulation, research, and training and education in forestry;
- creating an institutional framework that enables the productive and profitable commercial use of forests on a sustainable basis.

Sweden is likely to continue to provide support through special thematic and regional programmes where there is a general need for research and methods development; where a Swedish knowledge base in the subject area already exists; and where the programme countries

supported by Sida would benefit. Areas where such support is foreseen include participatory forestry, forest regeneration in dryland areas, and measures to improve international co-operation in forestry assistance. Sweden will also continue to support international organisations active in matters relating to forestry in developing countries.

Future assistance is likely to focus on quality, and not necessarily on programmes requiring large sums of money. Development co-operation may in future include countries other than the programme and non-programme countries which presently receive assistance.

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ACRONYMS

BIT5	Swedish Board for Investment and Technical Support
CGIAR	Consultative Group on International Agricultural Research
CIFOR	Centre for International Forestry Research
DAC	Development Assistance Committee
DEIA	Department for Evaluations and Internal Audit
DIEC	Department for Infrastructure and Economic Co-operation
DNRE	Department for Natural Resources and the Environment
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FAWDCA	Forestry and Wildlife Development Conservation Authority
FCP	Forestry Co-operation Programme
FLFP	Farm Level Forestry Projects
FLCD	Forestry for Local Community Development
FOREP	Forestry Regeneration Programme
F TPP	Forest Trees and People Programme
GNP	Gross National Product
HADO	Hifadhi Ardhi Dodoma
ICRAF	International Council for Research in Agroforestry
IDA	International Development Association
IPF	Intergovernmental Panel on Forestry
IRDC	International Rural Development Centre
ITTO	International Tropical Timber Organisation
IUCN	International Union for the Conservation of Nature and Natural Resources
LAMP	Land Management Program
LFA	Logical Framework Approach
NGO	Non-Governmental Organisation
OECD	Organization for Economic Cooperation and Development
PAHAL	Participatory Approach to Human and Land Resource Development

PRA	Participatory Rural Approach
RECOFTC	Regional Community Forestry Training Centre(Thailand)
SAREC	Swedish Agency for Research Co-operation with Developing Countries
SEK	Swedish Krona
SIDA	Swedish International Development Authority
SUAS	Swedish University of Agricultural Sciences
TFAP	Tropical Forestry Action Plan
TGC	Tree Growers Cooperative
UBV	Swedish NGO
UN	United Nations
UNCED	United Nations Conference on Environment and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNSO	United Nations Sahelian Organisation
WCED	World Commission on Environment and Development

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UK

Susie Hussey, James Gordon and Gill Shepherd

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1. DOMESTIC FORESTS AND FORESTRY

By the time the Norman Domesday Book was written 900 years ago little pristine woodland remained in Britain except perhaps in the remoter parts of Scotland. Woodland cover, although variable across the country, was as low as 15% overall (Rackham, 1980). Although this figure disguises the important contribution of hedgerows in the landscape and in the supply of wood products, it demonstrates the long history of forest conversion in Britain.

It was the Normans who first initiated the creation of a forest estate through their code of administration, their system lasting throughout the Middle Ages. The medieval forest was controlled and managed to fulfil a variety of needs. Forests were demarcated as the hunting grounds of kings and the nobility, with strongly enforced laws controlling poaching. Yet a forest was also usually divided into several distinct areas of woodland and open country, in each of which particular communities had specific rights. The coppice system ensured a supply of fuelwood and low quality construction timber on short rotations, whilst standards, trees grown on longer rotations, provided larger and better quality timber. Under this system, villages had access to underwood, and were allocated other specific use-rights such as pannage, the right to graze pigs in the forest. Game, too, whether taken legally or illegally, was an important source of protein.

Early industrial activity during the Tudor period began to make new demands on forest resources. The Reformation left Henry VIII fearful of retribution by the Catholic powers who had restricted exports of armaments to England. Weaponry therefore had to be home-produced. Iron-smelting began in earnest in southern England where the supply of oak to fire the furnaces was considered plentiful. Thus the industrial importance of woodlands grew whilst their importance as Royal Forests diminished slightly. The iron industry, and other industries, have usually been blamed for the destruction of woodlands, (Perlin, 1989). However, Rackham (1980) suggests that probably the source of grievance lay in rising fuelwood prices, rather than scarcity *per se*. Demand for high quality ships' timber also began to increase as England began its ascendancy to becoming a naval, and later imperial, power. Masts, above all, were an early problem. British dependence on fuelwood began to decrease from the eighteenth century onwards as coal began to replace charcoal for commercial production and domestic use. As coal mining expanded, even the timber props it required were brought ultimately from across the Atlantic.

The nineteenth century saw interest in British forestry grow considerably. Efforts at plantation establishment of both natives and exotics were greater than ever before, and the potential of North American conifers began to be recognised. In 1854 the Scottish Arboricultural Society (now Royal Scottish Forestry Society) was founded, 28 years ahead of its English equivalent (James, 1981).

Paradoxically, the formal teaching of forestry came to Britain via India. British India had employed first D. Brandis, and then W. Schlich and B. Ribbentrop in the 1860s and 1870s. When Dr Schlich retired from India in

1885, he established the first forestry training school at Durham. In 1887 a Parliamentary committee report considered the need for a forestry school in Britain and the resulting 'Act for Establishing a Board of Agriculture for Great Britain' of 1889, made provision for a professorship of agriculture and forestry at the Durham College of Science, at Cooper's Hill.

World War I reduced forest cover in Britain to 5.6%, the lowest ever known (Grayson, 1993) and Britain's dependence on foreign supplies of timber during times of war became a major concern. As a consequence, the Forestry Act of 1919 was passed, the Forestry Commission established and exotic softwood reforestation expanded dramatically. The first conifer introductions had been as early as 1548 (James, 1981), but it was not until the nineteenth century that such plantations were anything other than sporadic. Now they were to become the principal means of reforestation, predominantly in the uplands. It was the charge of the Forestry Commission to effect the creation of state-owned forests and to oversee financial assistance to private sector reforestation. This policy of creation of a 'strategic reserve' of timber, which had still not reached maturity in time for World War II, was reviewed in the Zuckerman committee of 1956 (Zuckerman Committee, 1957). It recognised that timber supplies were unlikely to be crucial in the event of a Third World War. Instead state-subsidised reforestation came to be justified on import-substitution and, to a lesser extent, employment-creation grounds, despite the fact that financial returns to forestry in Britain have never been very attractive (National Audit Office, 1986).

The area of land under forestry has steadily increased from 6.1% in 1947 to 10.6% in 1996 (Forestry Industry Council, 1996). In 1987 the government announced a target of 33,000 ha of new planting a year, the majority to be in the private sector (Forestry Commission, 1991). This has not been met – total new planting in 1996 was 15,700 ha, for instance – (Forestry Commission *Facts and Figures* 1995–6) and Britain is still one of the least forested countries in Europe. The EU average is 36%. (FIC, 1996). It is calculated that in 1990, about 10% of Great Britain or 2.3 million ha was under forest cover (Grayson, 1993). In 1996 about 35% of the land under forestry was in state hands and 65% belonged to private landowners (Forestry Commission *Facts and Figures* 1995–6). This area provided about 4% of the country's wood and wood product needs (FIC, 1996).

To some extent forestry has always been the poor relation of agriculture. Common Agricultural Policy subsidies to farming have made the long-term returns of forestry especially unattractive in the lowlands, where soils and climate might otherwise be conducive to plantation management. However, recent attempts to reduce agricultural spending have meant increasing policy recognition being given to woodlands as environmental and recreational assets.

In 1984 the Forestry Commission (which is responsible for granting felling licences) stated a general presumption against the conversion of woodland to agriculture or other uses. State subsidy for the creation and management of broad-leaved and native pine woodland to compensate for their marginal financial returns is now considerable. The Forestry Commission

is thus responding to new environmental awareness in the UK. Since 1985 as well as the existing responsibility for timber supply came a statutory duty to endeavour to achieve a reasonable balance between the needs of forestry and those of the environment. A 1995 rural White Paper for Scotland stated that the government wished to enhance the contribution that forestry could make to sustaining local communities, and to consider how to increase local community participation in forest management (FC, Highlights of the 1995–96 Annual Report). The Commission acknowledged the advantages of basing forest policy on multiple objectives (Forestry Commission, 1991).

2 HISTORICAL INVOLVEMENT WITH TROPICAL FORESTRY

As Britain expanded its colonial and trading influence in the eighteenth century, it increasingly looked abroad to meet its timber needs, initially to North America but later to the tropics. The forms of exploitation were varied and sometimes timber extraction was only a secondary consideration in the clearance of land for agriculture. Exploitation varied among colonies with different forest resources. Sparsely populated places with relatively poor forests such as British Honduras (Belize) were logged selectively and slowly for mahogany with little resulting conversion of forest cover. In parts of India and Burma, however, some forests rich in teak were completely cleared to supply the needs of the Admiralty (Westoby, 1989). Such clearance continued in the Malabar region of India until the middle of the 18th century without any effort at reforestation or development (Upadhyaya, 1991). Forest clearance and the use of teak for boat building in India of course both long predate the British Empire.

It was already clear early in the 19th century that the forests of the colonies were not inexhaustible. Even before colonial expansion in India was complete, the first conservator of forests had been appointed. Britain, with no formal trained foresters to call on, appointed Captain Watson of the police in 1806 to control timber supplies in the west of India (Westoby, 1989). Even as early as 1851, Cleghorne *et al.*, in a report on the forests of British India subtitled 'On the Destruction of Tropical Forests' (1851) note that, despite the extent of the forests, it was not adequate both for home consumption and for export. This document is also revealing in its appreciation of the many roles trees and forests play in the rural economy, their importance in climate regulation and the need for plantations to supplement natural regeneration.

The beginnings of colonial forest management are thus to be found in India where the foundation of the first colonial forest service (the IFS) came in the 1850s when first Dr McLelland of the Calcutta Botanic Garden, and then Dr Dietrich Brandis, from Germany, were appointed Inspector General of Forests. Though it is difficult to generalise about British colonial forestry, since the colonies themselves were found in such different environments, Dawkins and Philip (in press) note three consecutive phases, however: the Indo-Burma phase from 1850–1900, the Africa-Malaysian phase from 1900–1950 and the pan tropical

phase from 1950 onwards. It was in Burma that Brandis first introduced concepts of standing volume based on transects, growth rates and loss rates which made it possible to predict sustained yield. The *taungya* system also came from Burma. In Malaya lessons were learned from both Burma and the Philippines, and research on the natural forest was to become a particular UK strength here, under John Wyatt-Smith.

Experienced individuals were transferred from India, Burma and Malaya to help establish forestry in other parts of the empire, with the Indian experience usually serving as the model. The tropical forestry training Institute at Dehra Dun in India had been founded (by Brandis) in 1878, and both personnel and policy were to be exported from the subcontinent to the newer departments in Africa. The first Conservator of Forests in Nigeria came from the IFS in 1902, for instance, and Nigeria's first forest policy was based on that of Burma.

Forestry departments were established in the Sudan in 1901 and in the Gold Coast (Ghana) in 1908. Practice also drew heavily on Asian experience. For instance, in the field of natural forest silviculture, the Nigerian Tropical Shelterwood System, designed in 1944, drew on Malayan as well as earlier West African experience (Schmidt, 1991).

Revenue raising from timber was important to some colonial forest services, but it was never the only concern. Bruenig (1996) points out that the forest service often sought to prioritise the supply of products for local revenue generation and needs, citing the harvesting of latex and rattan in the rain forests of Sarawak at the end of the nineteenth century. Similarly the long-standing trade in gum arabic from the arid wooded savannas of north Africa was given stronger access to international markets during the colonial period and after. In most colonies, the supply of timber for internal consumption was much more important than that for export. The expansion of railways and their dependence not only on wooden sleepers but for many years also on fuelwood, made heavy new demands on forests.

At the same time, much was often left to the competence and interpretation of the officer in post. There were widely different responses to the recognition of local community rights, for instance, from the careful recording of traditional rights in Himachal Pradesh in North India in the 1890s, or the insistence of the Ashanti Chiefs in Ghana on the continuation of their forest rights, to the complete or almost complete abolition of such rights in many other areas of both India and Africa.

The reservation of forest was often the chief focus of work, especially in remote or unmapped areas. It was feared, for instance, that if areas were not set aside they would be liable to destruction from shifting cultivation. Much good work was also done, in the development of plantations and silvicultural practice. In Nigeria, for instance, considerable efforts to establish plantations of exotic teak and native mahogany were made (Unwin, 1920). But there were considerable financial constraints. Most forest officers in Africa worked with very small budgets, and could undertake few activities beyond the maintaining of boundaries and fire-traces around reserves. Some of these individuals, also, almost

as a hobby, embarked upon the enormous task of identifying and recording details of the flora of their own areas.

The colonial forest services depended to a large extent on expatriate staff, and to meet demand Dr Schlich transferred his teaching from the Royal Indian Engineering College at Cooper's Hill and established a forestry school at Oxford in 1906. This was later to become first the Imperial Forestry institute, and later the Commonwealth Forestry institute. It is worth remembering that the Forestry Commission itself was not in fact established until 1919. Foresters working in the colonies from the 1920s onwards remember that periodic Imperial Forestry Conferences (the forerunners of today's Commonwealth Forestry Conferences) initiated in the 1920s, were one of the chief means by which useful experiences from one part of the world were shared with foresters working somewhere else. The Institute's journal, the *Imperial Forestry Review*, was also a useful repository for new knowledge.

Following World War II, the United Kingdom's role in tropical forestry changed along with the aspirations of the territories and colonies now seeking independence. In the newly independent countries assistance in forestry, as in other sectors, took the form of providing training and responding to requests from recipient governments. Thus overseas assistance to the forestry sector, like other sectors, was primarily about maintaining the civil services of the ex-colonies: requests were often for personnel to fill gaps left by retiring expatriates.

At the same time forestry began to be less about the creation of reserves and more about what might be done with them. The hope that the forest estate could be used to accelerate economic development put a new emphasis on industrially orientated forestry, and much assistance was directed at both industrial plantations and, in countries with a rich endowment of high forest, at natural forest management. Work on silvicultural systems for Uganda and Malaya, elaborated in the post-war era, are still regarded as standard works in the field. Industrial forestry was not seen simply as an engine for rapid economic growth, but also as a means of justifying the existence of forest, increasingly regarded by economic planners rather as a land bank for agriculture.

British forestry assistance in the post-colonial era up to the 1980s consisted for the most part of two types of activity. On the one hand, inventory and mapping activities were undertaken. On the other, attempts were made to establish commercially productive plantations.

3. STRUCTURE OF DEVELOPMENT ASSISTANCE DELIVERY

3.1 Organisation of the aid programme

The British Government's responsibility for the development of its colonies on a continuing basis was first recognised in 1929 by the Colonial Development Act, which was followed up after World War II with the Colonial Development and Welfare Act, 1945. In 1961 the Department of Technical Co-operation was established to deal with the aid programme (ODA, 1996a, 1).

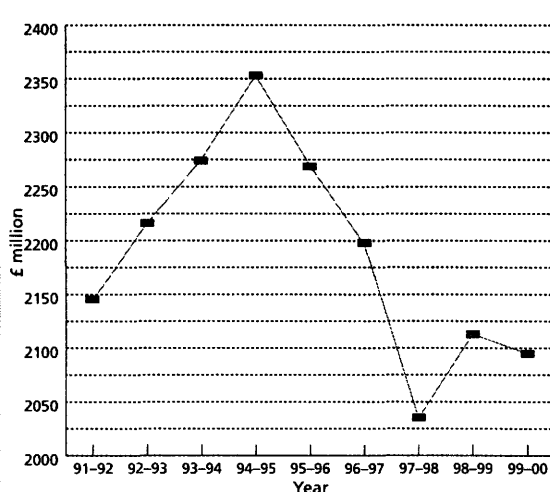
The Ministry of Overseas Development was first set up by the incoming Labour Government as a separate Ministry in October 1964 headed by a Minister for Overseas Development. It brought together the functions of the former Department of Technical Co-operation and the overseas aid policy functions of the Foreign, Commonwealth Relations and Colonial Offices and of other Departments, (ODA, 1996a, 1). Its history then followed the fluctuations of party politics. With the return of the Conservatives to power in 1970 it was demoted to the status of a department (the Overseas Development Administration) within the Foreign and Commonwealth Office. It was restored to separate Ministry status during Labour's period in power (1974-9), and again demoted in 1979. Following the general election in May 1997 the Labour government set up a Department for International Development (DFID) headed by a Secretary of State for International Development.

The DFID has taken over the structure and personnel of the ODA and will honour its existing project obligations. Strategy and policy will change in some areas but the full implications are not likely to become apparent for some time (given the three year planning cycle inherited from the ODA).

3.2 Development assistance commitment

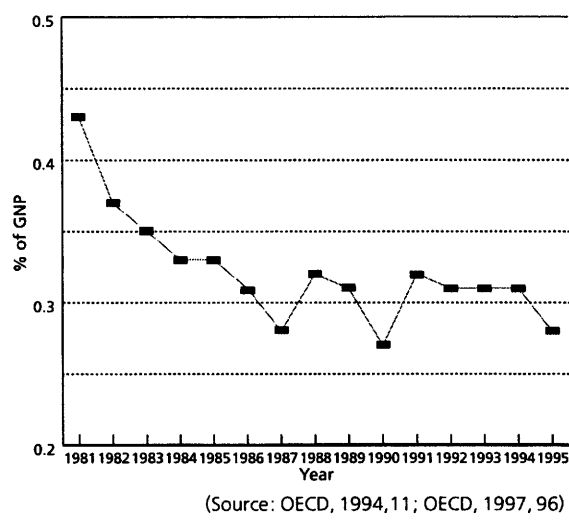
Britain is one of the larger aid donors, with an annual budget of £2,154 m.(1996-7) making it the fifth largest in the world (ODA, 1995c, 1). However, British aid has declined in real terms in recent years (see Figure 1) and is nowhere near the UN target aid:GNP ratio of 0.7%. Provision in 1995 was 0.28% (OECD, 1997, 169) which was below the Development Assistance Committee average of 0.41%. The downward trend was expected to continue, projected figures for 1997-98 estimating an aid:GNP ratio of only 0.26% (Chakrabati *et al*, 1995, 22). However, the recently elected (May 1997) Labour Government did make a specific pre-election manifesto pledge to reverse the decline in UK aid spending and is committed to reaching the UN target (Labour Party Manifesto, 1997, 39), although no timeframe has yet been set for this.

Figure 1: UK external assistance programme, 1991-9



(Source: FCO, 1997,77)

Figure 2: Aid:GNP ratio 1981–95



The amount of money available for aid over the next three years is decided in the Public Expenditure Survey which is carried out annually, and determines the allocation of resources to all Government Departments. The results are announced by the Chancellor of the Exchequer in the autumn budget each year. DFID then uses the Resource Allocation Process to determine how the available money for the coming three years should best be spent (ODA, 1996b: 1 B2).

The DFID accounts show that 93% of bilateral aid in 1995–6 was given to developing countries, including dependent territories, other areas with which Britain has traditional ties and the poorest countries of Eastern Europe. Thirty-eight per cent of aid went to the African countries south of the Sahara which are among the poorest in the world, and almost 10% went to the countries in transition of Eastern Europe and the former Soviet Union through the Joint Assistance Unit (FCO, 1997: 151). The inclusion of this latter type of support within the same budget line as traditional aid recipients is relatively new and has led to speculation that funds may be diverted from developing countries (OECD, 1994: 39). This concern is unlikely to affect forestry which has not figured largely in the Joint Assistance Unit to date and is not likely to do so in future (Hudson, 1997: 5).

3.3 Personnel

The main offices of DFID are in London, with a number of administrative staff located in East Kilbride, near Glasgow. DFID employs directly a total of 1077 staff (FCO, 1997: 122), almost 600 of whom work in London and over 400 in East Kilbride. A further 76 professional staff (not including long- and short-term technical co-operation officers) are also employed by DFID. Ten professional advisers work in the Natural Resources Division (3 of whom are forestry advisers) together with 33 administrative staff. Five regional offices, called Development Divisions, are located in Kenya, Zimbabwe, Barbados, Thailand and South Africa, and Development Assistance Management Offices are also located in Bangladesh, India and the Pacific (*ibid*). Additional professional staff are

employed in these regional and country offices. Administrative support is also provided by British Embassy and High Commission staff in the recipient countries. An organogram details the basic structure of DFID (see Figure 3).

There has been a steady decline in the proportion of experts employed directly by DFID under the technical co-operation programme. External consultants now account for 66.2% of total personnel on the bilateral technical co-operation programme, although the proportion for forestry is significantly less, approximately 15% (FCO, 1997: 153). The major consultancy companies include LTS International Ltd; Fountain Renewable Resources; Hunting Technical Services; Landell Mills Ltd and SGS Forestry. The Natural Resources Institute, which was formerly an ODA agency providing research and advisory services in the natural resources sector, was transferred to the ownership of the University of Greenwich in 1996. Tropical forestry expertise is still provided to the DFID and others through NR International, a company owned by the Universities of Greenwich, London and Edinburgh.

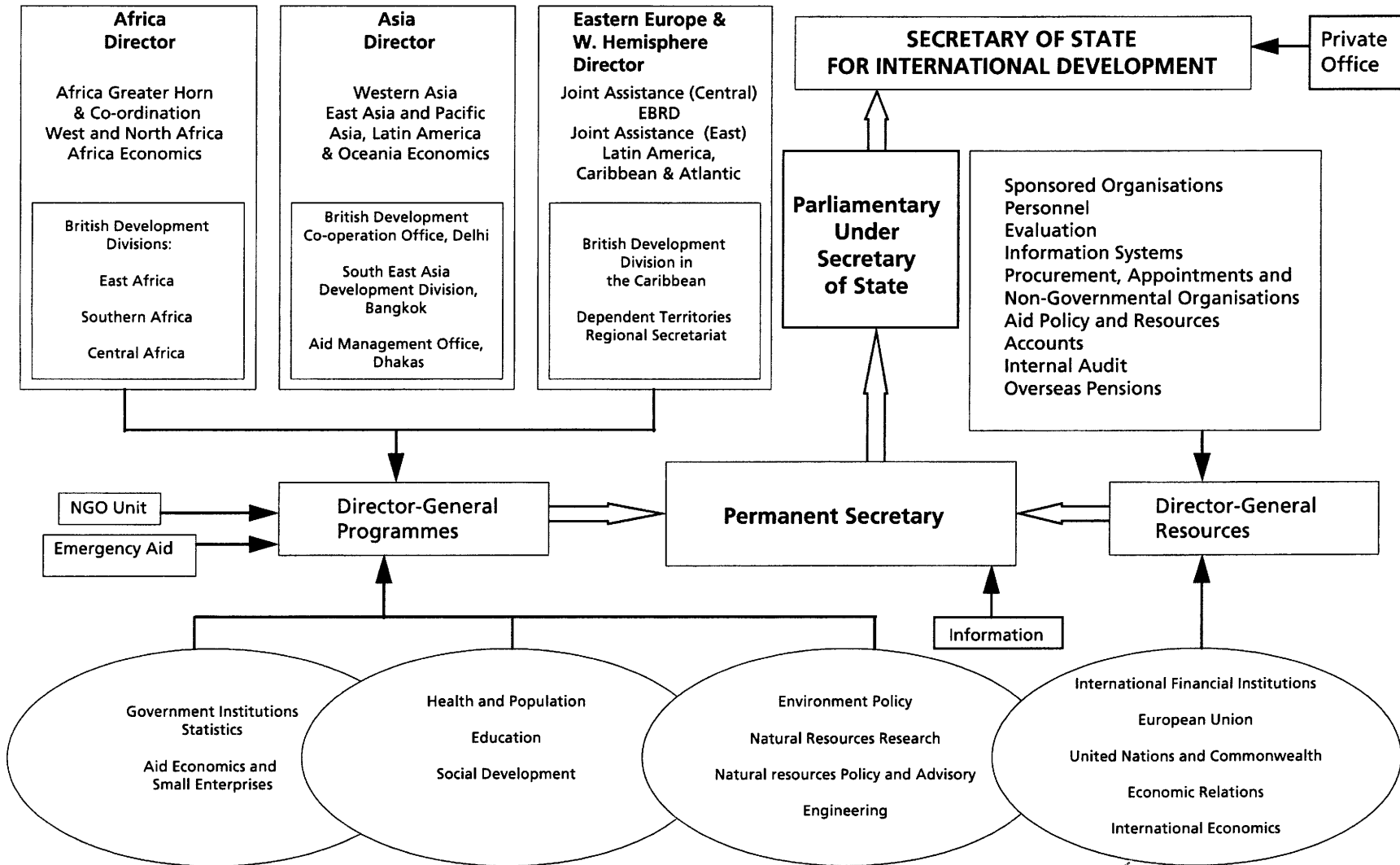
3.4 Bilateral assistance

Bilateral assistance to all countries totalled £1,374 m. in 1994–5, including aid to countries in transition of £133 m. (ODA, 1995d: 7). Of this, the forestry component was £33.2 m. equivalent to 22% of renewable natural resources spending (ODA, 1995c: 62). The recent allocation of forestry aid is shown in Figure 4. A rise can be seen coinciding with the Forestry Initiative announced at the 1989 UN General Assembly. It was prompted by growing public concern for the environment in general and tropical forestry in particular. £109 m. of bilateral aid was made available to support 206 tropical forestry projects in the period 1989–92. The proportion of bilateral spending given to forestry increased from 2% in 1991–92 to 4% in 1992–3 (ODA, 1992g: 1) but this is expected to level off as a percentage of bilateral expenditure as projects supported under the Forestry Initiative come to an end.

Figure 5 shows that the majority of forestry bilateral aid was used in technical co-operation (TC). TC is the provision of expertise requested by a partner country, primarily personnel and associated equipment, and is administered directly by the DFID which places the necessary contracts, rather than by the recipient government (ODA, 1996b, II: B1). Financial aid is given in the form of grants or loans which allow the recipient government or institution to incur expenditure on goods and services directly, as agreed with DFID. The distinction lies not in what each type of aid finances but in how they affect the relationship between DFID and the recipient. Financial aid is, in many cases, more beneficial in developmental terms but is administratively more complex. 86% of TC forms part of specific projects; the remainder is non-project TC (FCO, 1997: 80).

One important component of TC is Technical Co-operation Training (TCT), which is the main instrument used by DFID to provide training. Annual Country Training Specifications (ACTS) match training needs to the country aid programme. The British Council administers some DFID technical co-operation activities including training of overseas study fellows in the UK.

Figure 3: Structure of DFID



Adapted by ODI from p.121 of the FCO Departmental Report, HMSO, London, 1997, to incorporate changes since May 1997

Figure 4: UK forestry aid 1987–99

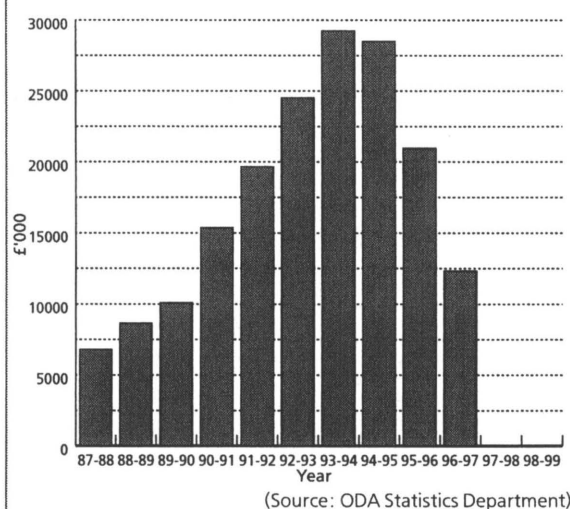
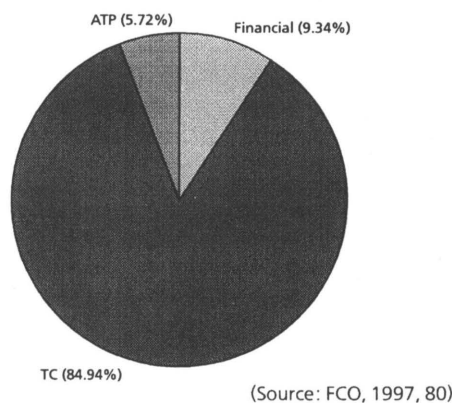


Figure 5: Nature of bilateral aid



Of particular relevance are its activities in the promotion of access to education, training, science and technology, for which it receives a block grant from DFID to support its activities in developing countries and countries in transition (ODA, 1995b: 120).

3.5 Multilateral assistance

Although still slightly less than half the total administered aid, the multilateral component has steadily increased from 30% of total assistance in 1974/5 to 49% in 1994/5 (ODA 1995b: 10). This level is high compared to other countries, for example in 1992 the multilateral proportion of UK aid was 47% compared with 31% for the DAC (OECD, 1994: 11). A high proportion of this, 53% in 1994–5, (ODA, 1995d: 8–9) is channelled through the European Commission. This proportion has increased from 21% in 1992, (OECD, 1994: 8) as a result of the Edinburgh Council decision on future financing, taken by EU Ministers in December 1992, which increased the EC's aid spending by 60% in real terms between 1992 and 1999. Britain's share of this increased commitment is likely to be met from existing aid budgets (OECD, 1994: 8). Forestry issues related to multilateral spending are dealt with by the Natural Resources Policy and Advisory Department

Table 1: DFID gross public expenditure on multilateral contributions 1995–6

Multilateral Agency	Contributions (£'000)	% of Total Multilateral
European Commission	675,924	60.97
of which European Development Fund	223,064	20.12
World Bank Group	206,877	18.66
IMF	30,000	2.71
Regional Development Banks	69,513	6.27
FAO	6,246	0.56
UNDP	26,031	2.35
UNEP	0	0
UNHCR	16,046	1.45
Total UN Agencies	91,103	8.22
International Research	8,983	0.81

(Source: FCO, 1997: 152–3.)

and the Environment Policy Department of the DFID.

Britain supports a number of other multilateral institutions including the World Bank, the Regional Development Banks and several of the UN organisations (see Table 1 for details). In 1995–96 the World Bank was the largest recipient, after the European Commission, including the European Development Fund. The UN Agencies together received a little over 8% of which the UNDP received the most, about 2.4% of total multilateral aid (FCO, 1997: 152–3).

3.6 Global Environmental Assistance Programme

The Global Environmental Assistance Programme (GEA) is a budget separate from the rest of the aid programme, reflecting the need for multilateral action to tackle global environmental problems. The Programme contributes to the Global Environmental Facility (GEF) which is administered by the World Bank and UNDP. Support through the GEA is available only for projects which are not justified by national benefits alone but offer global benefits and involve additional costs for developing countries. Its strategic areas for project funding relevant to forestry are in the conservation of biological diversity and the promotion of the use of renewable energy sources to reduce emissions of greenhouse gases (ODA, 1995b: 126). Since 1991 DFID has contributed £130 m. to the GEF making it the fifth largest donor. As of November 1996 the GEF had funded 108 biodiversity projects at a total cost of US\$ 463 billion (DoE, 1997: 3).

3.7 Other Government Departments

The Darwin Initiative is administered by the Department of the Environment (DoE). This is a British venture, launched at the Rio Conference 1992, to help developing countries meet their obligations under the Biodiversity Convention. It does this by funding collaborative projects between institutions in the UK and overseas which will help conserve global biodiver-

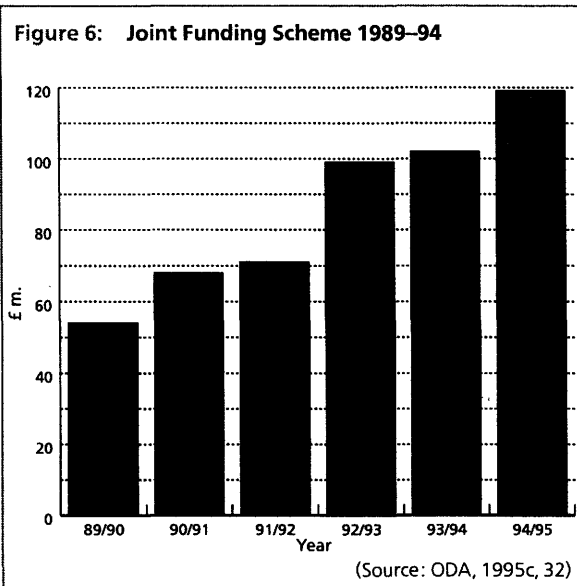
sity. £3 m. a year has been earmarked for projects in countries rich in biodiversity but with insufficient financial resources or capacity. The British Government is considering how best to build on the success of the Darwin Initiative, perhaps by extending the concept to include other developed countries (DoE, 1997: 4).

3.8 The Aid and Trade Provision

The DFID also works with other government Departments to administer particular projects. Most notable of these has been the Aid and Trade Provision (ATP) in co-operation with the Department of Trade and Industry. This was established in 1977 to counter the trade related tied-aid of other donor countries, and allowed the allocation of bilateral funds to finance development projects of particular commercial and industrial importance to the UK (OECD, 1994: 24). Grants were made in association with export credit guarantees or soft loans for specific projects. The ATP was heavily criticised by British development NGOs and one, the World Development Movement, successfully challenged its use in financing a dam at Pergau, Malaysia, in 1993. Subsequent projects have been required to meet much more stringent development and environmental as well as financial and technical criteria. Since 1993 the scheme has focused on creditworthy low-income developing countries with a GNP per head of less than US\$ 700 (1989 prices). Despite these improvements, the Labour Party remained critical of this mechanism and the phasing out of the ATP was announced in the Autumn 1997 White Paper. This will have a noticeable effect on funding as ATP spending had increased as a proportion of bilateral aid in recent years and amounted to 4.4% in 1994–5 (ODA, 1995d: 7). In some countries, for example China and Indonesia, the Aid and Trade Provision had effectively replaced conventional bilateral aid (ODA, 1996b: K1).

3.9 Commonwealth Development Corporation (CDC)

The Commonwealth Development Corporation (CDC) is a public corporation that provides loans for investment in developing countries. It supports growth by investing in, and supporting the operations of, commercially viable and developmentally sound business enterprises. In particular, it works with the private sector in the poorer nations of the world which have yet to attract a significant amount of private capital (see CDC 1996: 13 for a list of the 54 countries in which CDC has investments). CDC investments do not represent aid as such. It is a statutory requirement of the corporation that it has an operating surplus at the end of each financial year; nevertheless it only invests where businesses are expected to contribute significantly to national development. At the end of 1995 it had investments worth £1,487 m. and an operating surplus of £3,135 m. (CDC, 1996: 2–3). The renewable natural resource sector is its major area of interest. At the end of 1993 it had £119 m. invested in 12 companies in the forestry sector (CDC, undated: 1). Loans are available to both Commonwealth and non-Commonwealth countries. Government loans to CDC are administered through the Sponsored Organisations Department of DFID.



3.10 NGOs

The DFID is well aware of the role NGOs can play working in direct partnership with communities in developing countries as well as of the cost effectiveness of collaboration with them (ODA, 1992c: 50). In 1995–96 the bilateral aid programme channelled more than £179 m. through UK-based NGOs, 33% of which was used in emergency assistance (FCO, 1996: 95). The government places a high value on having effective communication with NGOs. In 1993 BOND (British Overseas NGOs for Development) was established to provide a network through which ideas and lessons could be shared by the members and ODA. It now has more than 130 NGO members and is partly funded by DFID.

DFID co-funds projects on a pound-for-pound basis with British-based NGOs through the Joint Funding Scheme, which covers many activities in rural and urban development. The amount of funding given to NGOs through the JFS has risen in the period 1989–96 (see Figure 6). More details of the forestry component are given in section 4.

4. DFID FOREST POLICY AND STRATEGY

4.1 Background

In the 1960s and '70s the then Overseas Development Administration (ODA) was seen as a body to respond to requests for help from the former colonies. There was no coherent policy as to what its priorities should be. In effect the aid programme was very much shaped by the priorities of the developing countries and the energy of individual ODA Advisers. Within the forestry sector there was also no clear strategy. Instead, a gap-filling approach was adopted in the belief that improved education in the developing countries would eventually eliminate these gaps. This belief underpinned the major emphasis on institutional development, which mostly consisted of forestry training.

This reactive approach to aid began to change at the

beginning of the 1980s. The 1980 Overseas Development and Co-operation Act for the first time outlined precisely what ODA could and could not do. The Act still applies today with a few amendments. At the same time budgetary constraints began to take effect. As a result aid spending became more tightly focused on priority countries and sectors. Forestry assistance now had to be justified in competition with other natural resource spending. Funds began to be used proactively to exert leverage, i.e. to gain maximum influence in co-funding activities with bigger donors such as the World Bank and the European Commission and also to maximise aid impact at the country level. Country Strategy Papers (CSPs) were given more weight and began to outline which sectors ODA would and would not fund. ODA thus became more and more proactive, although CSPs continue to reflect partner countries' priorities as well as UK strengths.

Forestry was considered to be a separate part of the Renewable Natural Resources sector. Initially the emphasis was very much on forests as an economic good and on timber production. Throughout the 1980s the Social Development sector gained in influence, sometimes at the expense of the Natural Resources sector. This was combined with a recognition that the traditional top-down approach to development had been disappointing in the degree to which benefits were reaching the poorest people (Poore, 1989:14) and should be replaced. Forestry for rural development, targeted more directly at the needs of the rural poor, became more influential in sector planning, eventually becoming a specific strategic area of ODA.

At the same time as these changes were taking place there was also a move towards increasing in-country prioritisation. Authority moved away from the Advisers towards the country desk officers who began to control the aid programme more directly. Forestry projects now need to operate both within the strategic framework for forestry as a whole and within the individual Country Strategy Papers. Within each country, forestry activities have to compete with other sectors for their share of the budget.

The ODA's assistance to the forestry sector had always taken into consideration more than just industrial and commercial needs. However, in the past two decades sensitivity to environmental and social issues has increased markedly; in particular, the fate of tropical forest ecosystems and their human dependants have entered the policy debate.

4.2 Recent developments in strategy

A fundamental expenditure review (FER) of ODA was

carried out by government officials in 1995. This examined all aspects of ODA policy and even questioned whether Britain should continue to provide concessional assistance to developing countries. Its conclusions were viewed by the government of the day as recommendations only but a Ministerial review broadly endorsed them (OECD, 1997: 168). It is likely that the Labour Government will also accept the majority of its recommendations.

The FER decided that there were both ethical reasons, and reasons of enlightened national self-interest for the continued provision of aid. Poverty reduction is the essence of the moral case for supporting development. National interests are supported in the narrow sense by ensuring national security, cementing historical ties and gaining political and commercial advantage. At a broader level, developed countries have a shared interest in protecting and extending a liberal international economy (Chakrabati *et al.*, 1995: 4).

Having decided that aid should continue, the FER examined whether it was appropriate for a single body – now DFID – to be charged with the administration of the bilateral and multilateral aid programme and aid to the countries in transition of Eastern Europe and the former Soviet Union. It concluded that this was one of the UK aid programme's strengths giving a coherence often lacking in other donor countries. It also recommended that ODA's expertise in development issues be used in non-aid fora where the UK's broader economic and financial relations with developing countries are discussed. In effect ODA/DFID would become more a development organisation through which aid is channelled, (a role ODA successfully played in its substantial input into the global environmental agenda).

Clarification of the purpose of the ODA was recommended by the FER and this has resulted in a new statement of purpose which incorporates the aims of the Autumn 1997 White Paper (see Box 1). In addition to the activities included in the Statement, DFID remains responsible for the pensions of former colonial civil servants and their dependants.

In practice Country Strategy Papers (CSPs) determine DFID's niche in developing countries in terms of DFID's aims, along with the recipient country's requirements and the activities of other donors. The process of preparing a Country Strategy Paper therefore requires wide consultation within and outside DFID. CSPs must be produced every three years for programmes of £10 m. or more and shorter CSPs are produced for smaller programmes. In each intervening year a list of specific objectives is drawn up (ODA, 1996b: Pathfinder). Recipients of aid are regarded as partners in the development process and are therefore encouraged to take the lead in determining their needs and the strategy for addressing development problems. For a particular project to be approved it must be in line with the general aims of DFID, the specific aims for the country concerned as outlined in the CSP, and any sector (e.g. forestry) strategy. This is to ensure coherent and targeted development assistance.

Participation is considered fundamental to the development process. Stakeholders should therefore be differentiated and closely involved in the process of project preparation and design. In July 1995 the then ODA Social Development Department published a

Box 1: DFID's Statement of Purpose

DFID's aim is the elimination of poverty in poorer countries.

Its specific objectives are:

1. Policies and actions which promote sustainable livelihoods.
2. Better education, health and opportunities for poor people.
3. Protection and better management of the natural and physical environment.

Guidance Note on How to Do Stakeholder Analysis of Aid Projects and Programmes, intended to be used by everyone involved with project identification and planning.

Institutional development and capacity building are vitally important for the sustainability of a project. Institutional issues should therefore be addressed in all projects.

4.3 Forestry strategy

The activities within aim 3 of the Mission Statement (to enhance productive capacity and to protect the environment) cover many sectors, but those relevant to forestry are conservation of biological diversity, conservation and better management of forests and sustainable agriculture (as it relates to agroforestry). The last Forestry Strategy was published in November 1993 (ODA, 1993b). A new Strategy, prepared between May and September 1997 through widespread consultation among diverse bodies in the UK with an interest in tropical forests, was launched in October, 1997 (DFID, 1997). It recognises that whilst a broad range of activities within the forestry sector would be compatible with the overall objectives of DFID, there is a need to concentrate on those activities and countries where available resources and expertise will have the greatest positive impact. It is also accepted that the underlying causes of deforestation may be beyond the capacity of forestry projects alone to address. Aid in other sectors can help reduce deforestation for local or global benefits. Conversely projects in other sectors can have negative impacts on forests. Environmental appraisal procedures in all sectors are designed to take full account of risks to forests. Finally DFID's strategy stresses the importance of the development of National Forest Programmes tied in with National Sustainable Development Strategies, and support for their development in partner countries without one. This is in line with the 1997 UN General Assembly special session on Environment and Development (referred to informally as the Rio+5 meeting) which called for all countries to have national sustainable development strategies 'reflecting the contributions and responsibilities of all interested parties' by 2002.

Bilateral aid to the forestry sector is concentrated on three main areas:

- institutional development, including policy analysis and planning, to strengthen developing countries' capacities to manage their forests effectively;
- sustainable forest management and conservation, including the identification of incentives for local people living in and around forests to manage them sustainably;
- rural development forestry, including agroforestry, which when linked to sustainable agriculture is an important means of helping combat deforestation by stabilising agriculture and producing wood products on farms.

In line with the policy of concentrating assistance and the DFID's concern not to use aid funds to correct industry's lack of capital investment, bilateral aid does not address forest fire control, commercial plantation development or forest industries except as part of institutional strengthening. Commercial plantations

and forest industries are, however, considered appropriate for project lending through the Commonwealth Development Corporation.

There has been a steady progression in forestry policy from support of projects which were essentially tree-focused to ones which have a more holistic view of trees and the community and the role forestry can play in development. The industrial forestry projects of the 1960s and '70s gave way to social forestry in the 1980s, which has in turn been replaced in the 1990s by participatory forestry. This evolution in attitude is seen most clearly in projects addressing the management and conservation of forest resources but also applies to other aspects of the forestry programme. The criteria set for research projects, for example, also show this development. Over the last 10 years ODA has supported 200 forestry projects which included a participatory element. During that time the proportion of the budget spent on such forestry multiplied many times (see section 5).

Against this background ODA commissioned a review of participatory forest management in 1996. It aimed to assess progress to date, establish benchmarks and look at ways forward (ODA, 1996c: 4). The conclusions reinforced the continuing importance of this type of approach. The results of the review are outlined in more detail in section 7.

4.3.1 Social aspects of forestry

The UK's official commitment to poverty alleviation, evidenced by over 93% of bilateral disbursements going to least developed and low-income countries (OECD, 1994: 7) has meant that forest products, both timber and non timber, are now the focus of much assistance aimed at development in the poorest rural communities. It is usually the case, however, that forestry resources are integrated into rural land-use systems biologically, socially and economically, in highly complex ways. Aid evaluations by many donor agencies have demonstrated

Box 2: DFID's Current Forestry Priorities

In forests and woodlands the priorities are to:

- support management approaches that share responsibility and benefits with local people;
- help build capacity to regulate and control harvesting, paying close attention to the process of awarding forest concessions and the reform of forest pricing policy;
- attempt to maximise development and conservation benefits;
- increase efforts to conserve genetic resources in managed forests through research and by promoting better harvesting techniques.

Planted trees

- DFID will support farmers wishing to plant more trees on farms, by helping them to overcome obstacles such as insecure resource rights, and marketing difficulties, and limited access to good planting stock.
- Forest plantations will become more important.

DFID will promote investment from private and public sources which delivers social and environmental benefits.

the link between poor project performance and failure to address social and cultural issues. This has encouraged DFID to give more and more importance to social issues. Social Development became a cross-cutting issue at ODA in 1980 and a separate division in 1996. There are currently 27 Social Development Advisers employed by DFID, 11 in London and 13 in regional and country bilateral programme offices. Three are on secondment to multilateral agencies where they will help those agencies develop their capacity for social analysis (Eyben, undated: 5). Social analyses are now incorporated into all aspects of the DFID aid programme.

In order to design and implement interventions that effectively identify and target beneficiary groups, participatory approaches are increasingly employed in the forestry sector, with the process approach to project identification and design being promoted to ensure the flexibility required. This is also the case in other sectors; full participation by stakeholders in the development process is now prioritised in all DFID bilateral assistance. The 1992 Forestry Synthesis Evaluation Study (Flint, 1992) recommended that multidisciplinary approaches involving social development and economics should be given greater emphasis in forestry projects, and proposals for bilateral assistance are now appraised accordingly. Initially social development inputs were incorporated at the evaluation stage of management; however, the participation of social development advisers as part of multidisciplinary teams is now required at the earliest stages of the project cycle. In this way gender, poverty and indigenous issues, areas of particular concern to DFID, are given greater emphasis. This process has been enhanced by the adoption of TEAMUP software.

Participatory Forest Management is one area where DFID forestry advisers and social development advisers have been working together on a collaborative and interdisciplinary basis. Through research and working with communities, recognition of the value of indigenous knowledge, strategies and institutions has evolved considerably (Eyben, undated: 7).

DFID does not have a separate Women in Development department, as gender issues are considered best overseen by the Social Development Division (OECD, 1994: 38). However, Women in Development is a priority objective of bilateral expenditure.

4.3.2 Biodiversity

In 1991 ODA set out its programme for biodiversity conservation in *Biological Diversity and Developing Countries: Issues and Options*. Out of this came a separate biodiversity strategy, complementing, in many ways, the Forestry Strategy. Projects are undertaken either bilaterally or by NGOs through the Joint Funding Scheme. The types of activities considered for funding are the development of institutional capacity to improve national coordination and policy formulation in the training and education programmes.

UK funding for work related to biodiversity conservation may also be obtained through the Darwin Initiative for the Survival of Species. Preference is given to projects that aim to leave in place permanent capacity in host countries to carry out work after the Darwin funding finishes. Training, collaboration and co-operation with local people are considered very

important (DoE, 1996: 2) but funding is not given for individual doctoral study.

4.3.3 Environmental aspects of forestry

The DFID *Manual of Environmental Appraisal* (ODA, 1992e) makes special reference to tropical forestry and lists institutional considerations for bilateral forestry proposals. These include government commitment to sustainable forestry management at a national and political level and adoption of the ITTO guidelines on sustainable management of natural tropical forests. To achieve sustainable management there should be adequate control and management of the harvesting of timber and non-wood products and commitment to working plans specifying the allowable cut, annual coupes, the silvicultural system and the best methods of ensuring regeneration. Sustainable harvesting plans must also conform to local and national conservation plans and Environmental Impact Assessments, and there should be a reasonable degree of consultation with forest dwellers and forest neighbours in the planning process. Government commitment to protecting those forests richest in biodiversity from commercial exploitation and to IUCN guidelines on biodiversity are important considerations.

The Commonwealth Development Corporation also seeks to encourage good environmental practice through its investments. Environmental Impact Assessments are required for all investments deemed environmentally sensitive and all CDC managed businesses are required to carry out an annual environmental review (CDC, 1996: 15).

4.4 International influences

International concern for the environment and the need to take environmental issues into account in promoting social development were first expressed specifically at the UN Conference on the Human Environment, Stockholm, 1978. The UN Environment Programme that was subsequently established has received continued support from the UK through the Department of the Environment (FCO, 1997: 152).

The next stage in the development of environmental awareness was the Brundtland Report *Our Common Future*, published in 1987. Britain was one of the first countries to publish a formal government response to the Brundtland Report (DoE, 1988). It made clear commitments to the principles outlined in the Brundtland Report, and to sustainable development in particular, detailing more than 350 commitments for action in a wide range of areas, including assistance to developing countries and efforts to combat climate change. A year later progress on each of the original commitments was reported and targets set for further action (DoE, 1989).

The most recent international influence on UK policy was the UN Conference on Environment and Development (UNCED), the 'Earth Summit' held in Rio de Janeiro in 1992. Agreement on the UNCED Statement of Principles on the Management, Conservation and Sustainable Development of the World's Forests was significant as the first international consensus on the need to conserve the world's forests and to respect national sovereignty over forest resources, the latter being the main obstacle to the conclusion of a binding

convention on forests, a long-term UK objective (ODA, 1992d).

4.5 Multilateral policy

The government's objectives in the forestry sector are as applicable to multilateral as they are to bilateral assistance and the ODA/DFID has always sought to influence multilateral institutions accordingly. DFID is especially concerned with the improvement of multilateral forestry aid performance, but recognises that progress can be slow and difficult to assess. Multilateral forestry issues are dealt with in the first instance by the Environmental Policy Department (EPD).

It is UK policy to work closely with the World Bank and the European Commission, encouraging them to devote more staff resources to forestry. There has been collaboration with the World Bank in developing forestry sector programmes, now referred to as national forestry programmes. The EPD also contributed to the preparation of the European Commission's Guidelines for Forest Sector Development Co-operation of 1996.

ODA made considerable efforts to improve the performance of the Tropical Forest Action Programme (TFAP) established under the FAO in collaboration with UNDP, the World Bank and the World Resources Institute in 1987. It has participated in the preparation of National Forest Action Plans under the TFAP and has funded projects identified in the process. The TFAP/NFAP Support Unit has undergone considerable revision, which ODA/DFID has supported, with national forest programmes now placing an emphasis on institution building and policy.

ODA/DFID has collaborated with the International Timber Trade Organisation (ITTO), and values it as a forum for producers and consumers to discuss problems relating to the timber trade. The two organisations share the opinion that the international timber trade can be used as an economic tool to encourage sustainable forest management and therefore forest conservation. In particular, ODA has assisted ITTO in the enhancement of its performance in project appraisal and management, areas considered in much need of improvement. It has encouraged work on policy and the economics of sustainable timber harvesting, especially on the issue of the incentives required for producing countries to adopt sustainable forest management practices. The UK supports the most recent International Timber Trade Agreement, ITTA 94, and the Year 2000 Objective for sustainable management. It also makes occasional direct contributions to specific projects where compatible with its own objectives.

4.6 NGOs

ODA/DFID recognises the important role NGOs can play in the development process. Almost 8% of the ODA aid budget in 1995-96 (£179 m.) was channelled through UK NGOs for development and relief activities (FCO, 1997: 78,100). Changes in its strategic targets, in general making them more poverty focused, led ODA to believe that there was scope to increase collaboration with UK-based and local NGOs. A working group on ODA-NGO collaboration established in 1991 made a number of recommendations for extending the participation of NGOs, including increased collaboration in the implementation of the aid programme. A substantial

increase in funds channelled through NGOs was suggested, to include the JFS, support for volunteer programmes and making funds available for institutional strengthening and training of local (not just UK-based) NGOs. Funding should be made available from country programme funds where NGOs are able to meet country priorities.

These recommendations came with the provisos that NGOs should not be overloaded beyond their technical and fundraising capacities; that 75% of the funds should be allocated to countries which are priorities for UK bilateral aid; that improved monitoring and review should be implemented by the NGOs and, in the case of local NGOs, that the role of NGOs should be agreed with recipient governments (ODA, 1992f: 3-9).

In 1993 priority areas were identified for the forestry sector financed through the JFS. These reflect general forestry priorities: sectoral planning and strengthening institutions in the private sector; promoting small-scale wood-based industries and sustainable production of non-timber forest products; agroforestry; and rural development forestry. The allocation of funds under the JFS to the forestry sector has risen considerably since 1987 when it was £208,000. By 1993-94 it was £720,000. By 1997 the funding commitment was £3.6m. In 1997 there were 14 forestry projects with a total commitment of £3.6 m. The majority of on-going forestry projects are in Africa but South-east Asia has become increasingly important.

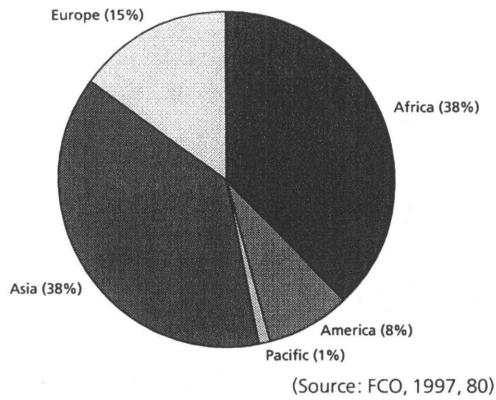
The DFID also contributes funds (up to 90% of costs) to four volunteer recruitment agencies through the Volunteer Programme. The largest of these is Voluntary Service Overseas (VSO) which has a total of 1,870 volunteers overseas, 30 of whom are foresters. Skill-share Africa, UNAIS and International Co-operation for Development also send a much smaller number of volunteers overseas.

5. REGIONAL AND THEMATIC DISTRIBUTION OF FORESTRY PROJECTS

5.1 Regional distribution of aid

British aid is given to a large number of countries, over 150 in 1995, including those of Eastern Europe and the former Soviet Union, but the greater part is targeted at those countries with greatest need. Historical and other factors may also be taken into consideration, and the list is subject to change. In 1995-6, 81% of bilateral aid went to low-income countries (FCO, 1997: 80) with a further 14% going to lower middle-income countries. CDC investments are likewise closely targeted at poorer nations with 81% of investments in 1996 going to such countries. 32% of new CDC investments in 1996 were in sub-Saharan Africa and 23% in South Asia (CDC, 1996, 4). Africa received 38% of ODA bilateral aid for the period 1995-6 (FCO, 1997: 80) and this proportion is likely to increase in the future. South Africa is expected to be a major aid recipient over the next decade. Other countries in Africa will also benefit but the rate of increase is relatively low as a long build-up time, often with institution building, may be required before a project can be implemented (see Figure 7).

Figure 7: Regional distribution of aid



Despite the importance of Africa, 3 of the 5 largest single country recipients are found in Asia (see Figure 8) and Asia received 38% of bilateral aid in 1995–6 (FCO, 1997: 80).

As part of the more general focusing of aid policy on a smaller number of poorer countries, small programmes where the cost of administration in relation to aid volume is high, such as in the Pacific, will be closed. It is expected that DFID will withdraw from the Pacific and large parts of Latin America by 1998–99 (Hudson, 1997: 3–4).

An aid presence will continue to be maintained in those countries that are not eligible for bilateral aid, through the Heads of Mission Gift Scheme and the British Partnership Scheme. The Heads of Mission Gift Scheme allows Heads of Mission to provide gifts of up to £20,000 with a clear development or welfare value. Gifts given under the scheme must address one or more of the priority objectives of the UK aid programme and are generally only available to countries with a GNP per head of US\$ 5,000 or less (ODA 1996b: M1). The

British Partnership Scheme finances projects costing up to £40,000 a year with an annual ceiling of £250,000 per country, although the money available to some countries will be considerably less than this. Projects must be of developmental value and be consistent with UK priority objectives. Where an ODA/DFID regional strategy is available, projects must also conform to its objectives (ODA, 1996b: M2).

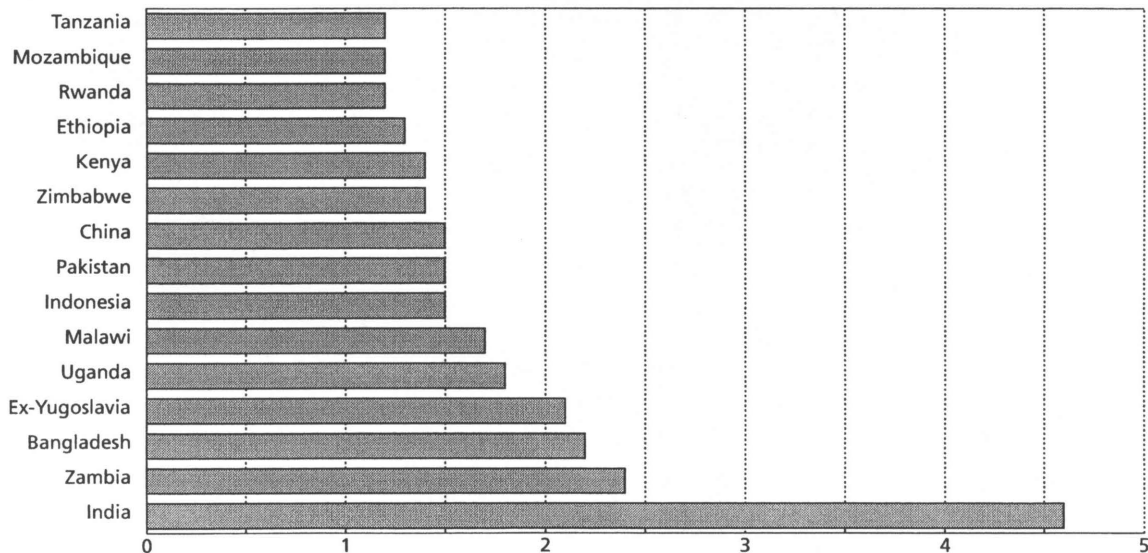
5.2 Regional distribution of forestry aid

Britain is an important donor of bilateral aid to the forestry sector: in 1993 it ranked sixth in the world, giving US\$ 45.2 m. (Hudson, 1997: 2). Forestry aid is concentrated in a smaller number of countries than the general aid programme and the number of countries given target status in this sector is steadily declining. The 1993 Forestry Strategy paper listed 17 target countries; Cameroon, Ghana, Kenya, Malawi, Nigeria, Zimbabwe, India, Indonesia, Malaysia, Nepal, Sri Lanka, Brazil, Honduras, East Caribbean, Belize, Guyana, and the Solomon Islands. The 1997 forestry strategy has a slightly different list of target countries, reflecting changes in economic and political circumstances. South Africa, Bolivia and Mexico enter the list, while Kenya, Honduras, Malaysia and the Solomon Islands disappear from it. A recent paper (Hudson, 1997) shows that the majority of aid (92%) is actually targeted on ten countries (see Table 2).

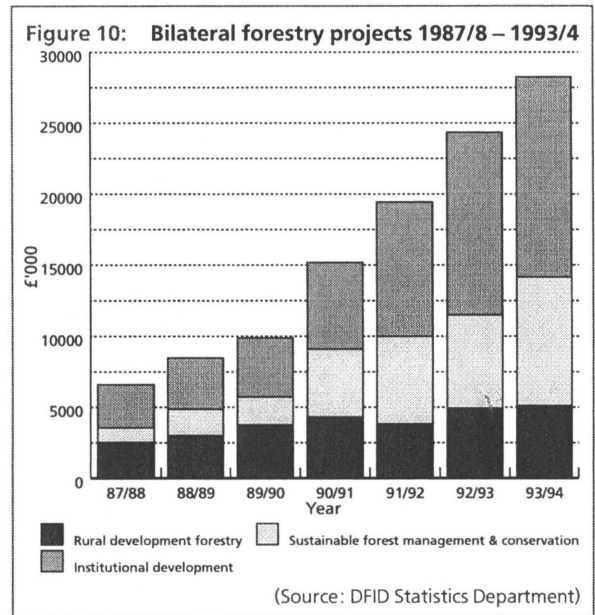
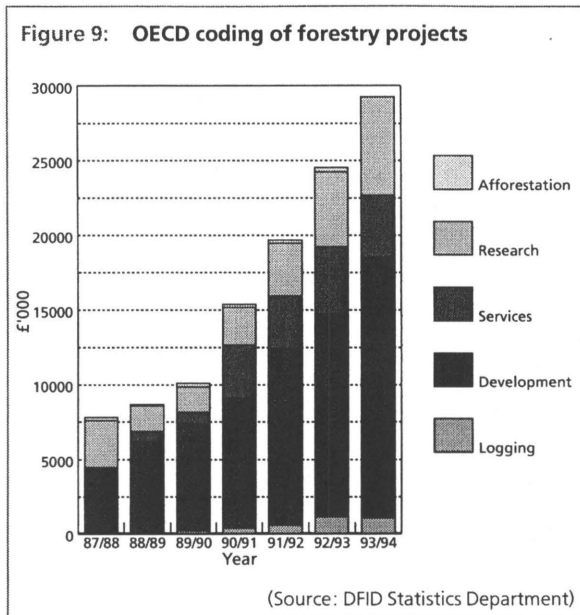
India is the largest single recipient of forestry aid (as it is of aid in general). Indonesia and Brazil are the second and third largest recipients indicating the importance given to issues associated with tropical rainforests.

Highest priority is given to those areas where the commitments in forestry and biodiversity made at the 1992 Rio Conference can be delivered (ODA, 1995e). Since 1987–8 the proportion of bilateral forestry aid going to target countries has risen from 44% to 74% (ODA, 1995d: Annex 10). However, the list of target countries is subject to change and proposals that meet DFID’s broader objectives are considered even if they

Figure 8: Major recipient countries



(Source: FCO, 1997, 148–51)



are outside the target countries. Non-target countries where significant bilateral forestry projects exist or are under consideration include Ecuador, China, Bangladesh and Mexico.

5.3 Thematic distribution of forestry aid

The nature of forestry projects supported by UK aid has changed markedly over the last decade. Projects are now much more participatory in nature, with a process approach being encouraged. Forestry projects are now multidisciplinary in design and often contain rural development or institution-building components. People are now central to project planning and implementation. This change can be seen in the proportion of

spending going to different types of forestry project. Using OECD codes, it can be seen (see Figure 9) that there has been a reduction in support for afforestation and a large increase in what the OECD classes as forest services.

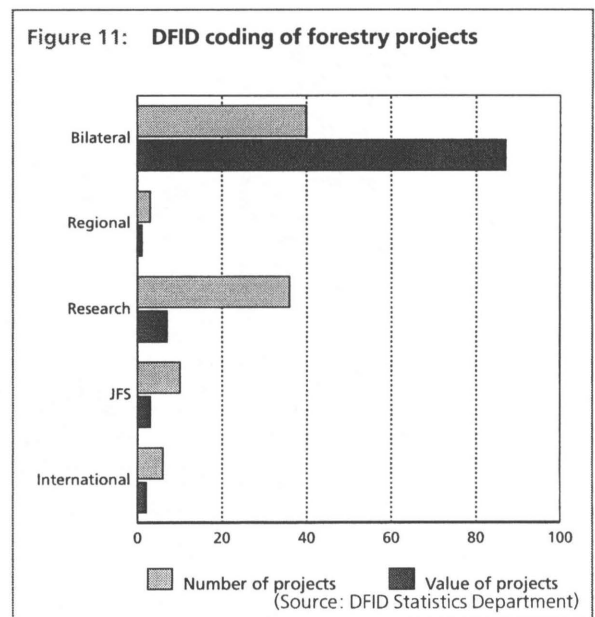
The DFID considers that the OECD codes provide a poor basis for analysis of forestry projects, as each category is imprecise and neither alone nor in total do they reflect the range of forest sector co-operation activities. It therefore prefers to use the strategy areas devised by its own Natural Resources Division. An analysis using these codes shows clearly that sustainable forest management projects have become much more important and that institutional development has also increased in priority (see Figure 10.). A fuller analysis of the evolution of DFID policy was given in section 4.

The number of forestry projects supported has remained reasonably stable, with an average of 182 per year in the period 1991–5. About 36% of these are

Table 2: Country focus of DFID support to forestry 1987/8 – 1993/4

Country	Expenditure as % of Total Forestry Aid
India	18
Indonesia	13
Brazil	12
Nepal	9
Sri Lanka	9
Kenya	8
Ghana	7
Cameroon	7
Honduras	5
Belize	4
More than 30 other countries	8
TOTAL	100%

(Source: Hudson, 1997:4)



implemented through the bilateral programme and 24% through the JFS, in other words through NGOs (ODA, 1992b, 1993a, 1994b, 1995a). There has been a move away from large projects with many resident expatriate staff to smaller projects which are often staffed by multidisciplinary teams, some of whom are nationals of the country concerned. The other major type of forestry project is research, with an annual average of 50 projects between 1991 and 1995 (ODA, 1992b, 1993a, 1994b, 1995a). Research and JFS projects tend to be much smaller than bilateral ones so, although they form the majority of projects approved, a large proportion of forestry spending goes to bilateral projects (see Figure 11).

Forestry is long-term in nature and ODA/DFID has continuously supported some forestry projects for a considerable time: for example there has been a forestry project in the Koshi Hills area of Nepal since 1977 (expected completion date is 1998). However, the present three-year funding cycle with no guarantee of extension makes it difficult for projects to plan and develop. Overseas posts for foresters under the technical co-operation programme are now more likely to be short-term, which also makes it difficult to build up detailed local knowledge.

6. RESEARCH AND TRAINING

6.1 Forestry research

The UK funds research into forestry through the Forestry Research Programme (FRP) which is administered by Natural Resources International in Chatham. In 1995 a total of 48 projects were supported with a total commitment of £8.5 m. Research funded through this programme is carried out by UK institutions, normally in collaboration with partners in developing countries.

The Forestry Strategy Review (ODA, 1995g: 6) stressed the need for forestry research projects funded through the Forestry Research Programme to complement bilateral and Joint Funding Scheme programmes. A number of priority areas have been identified, which include collaborative research with local institutions, identifying incentives for sustainable management and the social and economic aspects of rural development forestry. On the physical side satellite imagery and adaptive research in regeneration, silviculture, growth and yield are priorities. Policy analysis and planning are considered important, as is research into the linkages between population, poverty and deforestation and forest cover and climate.

Support is given to ICRAF and CIFOR, the CGIAR institutions responsible for research on agroforestry and forestry. This is mainly for individual projects, through DFID's research budget. Active promotion of the establishment of CIFOR was undertaken, and DFID is currently aiding the development of its information management system.

6.2 Forestry research review (1995)

A review of forestry research for the period 1990–93 was carried out by independent consultants and was published in 1995 (ODA, 1995f). Many of the recommendations of this report, such as the need for demand criteria in research identification, a greater

emphasis on multidisciplinary inputs and improved dissemination, have already been noted and echo concerns and themes expressed in the Forestry Sector Review by Flint in 1992. The recommendations of the review were broadly accepted by DFID and greater emphasis is now being given to the quality, relevance, impact and uptake of research.

7. PROJECT CYCLE MANAGEMENT

There are eight key stages in the DFID project cycle, DFID's role varying at each stage. In the early stages (*identification, design, appraisal and approval*) it is closely involved. Once a project is approved, implementation rests principally with the relevant agency in the recipient country, although DFID is closely associated with monitoring the *implementation and operation* phases. After project completion DFID's role lessens but it may participate in subsequent monitoring and might undertake an *evaluation* (ODA, 1996b: D1).

7.1 Identification

The identification of projects in the forestry sector may be through various channels, either in-house or external. In the case of the Joint Funding Scheme, DFID responds to requests. National Forest Action Plans, elaborated under the Tropical Forestry Action Programme, have played a part in identification as have sector reviews initiated by other donors. The advantage of this approach is that coordination between donors in the same sector is enhanced. In the majority of cases a government-to-government request is made to DFID. Regardless of identification, projects must be consistent with both the strategic interests of DFID and the policy of the recipient government. Adoption of the process approach to project management requires target group participation at the identification stage. An initial Environmental Screening is also completed at this stage to assess the extent of environmental input required during project design and implementation. The DFID *Manual of Environmental Appraisal* (ODA, 1992e) is used for this.

7.2 Design

Project design quality was identified by Flint (1992) in his review of UK forestry projects as a crucial factor in project impact. The thorough preparation of logical frameworks is necessary at the design stage, to clarify objectives and outputs and specify risks and assumptions in logical sequence. Logical frameworks are a requirement for all bilateral projects costing £250,000 or more (using TEAMUP software) ensuring that social and environmental appraisals are included at an early stage. The logical framework must define the allocation of aid in terms of Goal – Purpose – Outputs – Activities. This is a hierarchical system with activities allowing the achievement of outputs which in turn further the purpose etc. Objectively verifiable indicators are written into the logical framework, against which progress is then monitored. Other stakeholders should be encouraged and assisted to select their own indicators which should be incorporated into assessments of progress, particularly at the output-to-purpose level. Project management must have a workplan that is related to the logical framework.

Logical frameworks have also become standard practice for Forestry Research Programme (FRP) proposals. Effective dissemination of research outputs is crucial to the impact of the FRP and hence dissemination plans must be included in the logical framework of research proposals. NGOs are also strongly recommended to adopt logical frameworks in new proposals to the JFS (ODA, undated: 6).

There is particular concern that sustainability, defined as the capacity to ensure that project benefits continue after the end of the project implementation period, is given due attention. This concern is also extended to NGO administered projects. It is felt that many NGO project designs address sustainability, particularly in institutional and financial respects, at best peripherally. Sustainability analysis should be treated as a priority area for the improvement of implementation and evaluation. The outcome of such analysis needs to be built into the planning process and be evident in the resulting project planning matrices (ODA, 1995h).

7.3 Appraisal

Project appraisal has become lengthy and complex as multidisciplinary teams are now employed at this stage. Appraisal is the responsibility of the department funding the project.

Social impact analysis, relevant to identification and design, is overseen by the Social Development Division. It is currently revising the *Social Development Handbook* (Ladbury, 1993) which provides an outline of the process and notes specific to forestry assistance. Social analysis seeks to determine whether a project is actually necessary, its cultural and technical suitability, the beneficiaries and their degree of participation in the project cycle. Gender issues, any groups excluded from project activities and the possible mitigation of negative impacts are also examined. Impacts on women and poverty, which have been identified by the OECD DAC as two issues for special consideration at evaluation, are thus incorporated at this earlier stage of the project cycle.

A third DAC issue is impact on the environment. DFID takes environmental impacts into consideration for all bilateral assistance. The procedures which may lead to a full environmental impact assessment (EIA) are outlined below. Consideration of environmental impacts is not limited to the initiation of the project cycle. The DFID maintains a database of environmental profiles of developing countries, available on request, to provide base line data for planners. Country Review and Objective Papers also include information on the natural resource base, the extent of environmental degradation and pollution and the institutional capacity of countries to address these issues.

Environmental considerations are built into assistance by means of a three-stage process (ODA, 1992e: 19). First, initial screening is conducted by advisers to examine what possible significant environmental impacts there might be and what level, if any, of further study should be conducted. The second stage is environmental appraisal which calls on more specialist advice and seeks to estimate the importance of effects, their interrelations, the key mitigating actions required and the policy implications. The third stage is an Environmental Impact Assessment. This is required if

results of the appraisal give cause for concern or it is a requirement of the recipient government. In undertaking an EIA it is important to look at the projects' likely impacts and their consequences in more detail, and to specify means of mitigation and compensation where appropriate. The proposal should also be compared to its alternatives, including the no-project comparison.

7.4 Implementation

Successful Joint Funding Scheme and Forestry Research Programme projects are implemented by the proposing organisations. A significant number of bilaterally funded projects are directly implemented by DFID using its own personnel. However, it is now common for projects to be put out to tender for implementation by private sector organisations. The implementation phase is typically three to five years.

7.5 Monitoring and review

Monitoring procedures, often mid-term (now called output-to-purpose reviews, OPR) and final reviews, are defined and budgeted for in the project document. Typically an OPR and project completion report are required, but for larger more complex projects certain aspects may require on-going assessment. Monitoring and review are the responsibility of the department responsible for the aid expenditure. For projects costing more than £0.5 m. DFID has a set format for project completion reports. For FRP projects a system is implemented for monitoring research and its uptake to ensure proper dissemination of outputs and hence the cost-effectiveness of the programme (ODA, 1994a).

7.6 Evaluation

Evaluation in DFID refers to an *ex post* study which follows project completion. If project benefits are not expected for some time after completion of financial disbursement it may be delayed. The objectives of evaluation work are to assess the impact and cost-effectiveness of its past aid activities, to learn lessons for improving the impact and efficiency of on-going and future interventions, and to further communications between organisations and individuals involved in the process. Evaluation also has an important role in enhancing the accountability of public institutions, such as the DFID, to the individuals they serve, the taxpayers that fund them and the individuals who should ultimately benefit.

An evaluation will specifically assess the technical, economic and procedural aspects of the project, how far implementation of all stages of the project cycle was carried out effectively and efficiently and what results were achieved in comparison with what had been intended and in relation to costs. In line with the recommendations of the DAC expert group on aid evaluation, three cross-cutting issues are incorporated into the terms of reference of all evaluations. These are impact on women; impact on the ecological environment and poverty impact (ODA, 1996b: 12, Annex 3).

It is the emphasis on the ultimate impact of the project and its focus on learning lessons that distinguish evaluation from monitoring and review. Evaluation is the responsibility of the DFID Evaluation Department. Reviews are carried out by multidisciplinary teams with a heavy reliance on expertise contracted from outside to

ensure objectivity. However, in-house staff are always involved to some extent, usually as at least one member of the evaluation team. Where evaluators have experience of other aid agencies they are encouraged to draw on it as the comparative approach is valued by the DFID. Evaluation reports are written for the DFID but they are attributable, and credited to their authors. The majority of evaluation reports are freely available and are listed in the DFID Catalogue of Evaluation Studies, (ODA, 1994a). Joint evaluations commissioned by the DFID and other organisations and foreign governments are available subject to co-sponsor agreement.

NGOs in receipt of JFS funding are expected to carry out some form of evaluation on all projects and should devise criteria to determine which projects would merit more extensive external evaluation (ODA, 1993c). Evaluation should be viewed as a definitive aspect of the project and be built into planning from the earliest stages of the cycle. Logical frameworks are an aid in clarifying indicators and the means of assessment by which project components are judged. To maximise the usefulness of evaluation it is important that NGOs are committed to wide internal and external dissemination of reports, at least in summary form. *Project Evaluation: A Guide for NGOs* (ODA, 1993c) is available from the DFID's NGO unit.

8. PROJECT REVIEWS

The Evaluation Division of DFID acts independently of the operational divisions. It commissions around 15 evaluation studies each year to cover, on average, 4 selected topics or sectors. These are designed both to assess the success of projects and strategies when measured against existing objectives, and to recommend changes in those objectives.

8.1 Fundamental Expenditure Review (FER) (1995)

The fundamental expenditure review (FER) carried out in 1995 (Chakrabati *et al.*, 1995) examined all aspects of the Overseas Development Administration at a macro level. Individual sectors and divisions (forestry or natural resources) were not reviewed, but decisions made as a result of the FER will have an impact at the divisional and project levels. This is particularly the case in the recommendation to concentrate aid on fewer countries and focus on projects that can further DFID's stated aims. More details of the FER were given in section 4.

8.2 Forestry Synthesis Evaluation Study (1992)

Between 1989 and 1992 ODA commissioned evaluation studies of six of its forestry projects. A synthesis of these findings was prepared by Michael Flint in 1992 (Flint, 1992). The purpose of the evaluation was to examine rigorously the implementation of past projects and to draw lessons from them so that these could be applied to current and future projects. The projects were located in six different countries (Ghana, Kenya, Lesotho, Côte D'Ivoire, Nepal and India) and were diverse in nature from protection of natural forest to

plantation forestry, social forestry and woodlots. All were relatively large by ODA standards.

The findings and lessons of that review give an insight into the direction which forestry assistance has been taking. Many of the review's criticisms had already begun to be addressed in newer projects of the time and have continued to be so in later ones.

The principal lesson drawn from this study was that forestry projects should be designed and implemented first and foremost as development projects. This requires a wide range of multidisciplinary skills (including social development advisers) to be involved at all stages of the project cycle. A flexible process-type project design with a pilot project may be more effective for this type of project, but means that outputs for the project period need to be precisely determined and well monitored. Institutional issues also warrant greater attention in project design and implementation (Flint, 1992: 2).

8.3 Participatory Forest Management (1996)

Participatory forest management has increased in popularity as an approach over the last ten years and has gained a larger share of the forestry budget. It increased from 5% in 1987 to 26% in 1996 for bilateral projects and from 1.1% to 4.6% for projects supported through the Joint Funding Scheme with NGOs (Bird, 1996: 5). It was therefore considered appropriate to examine the impacts of shared forest management to derive key lessons and best practice.

In the early 1980s ODA, along with many other donor agencies, responded to a shift in project design to meet rural fuelwood and pole needs through village woodlot and farm forestry projects. These earlier user-oriented projects were often termed social forestry. They differ from shared forest management in two respects. Although intended to meet rural people's needs, they were not designed in a participatory fashion, and they also focused on trees outside the forest (Bird, 1996: 3). Participatory approaches to forest management – or shared forest management – are used as umbrella terms covering joint forest management, collaborative forest management, community forestry and, in some cases, social forestry (*ibid*: 4). These approaches really gained prominence in the 1990s.

Participatory approaches to forest management have been introduced both by making changes to existing projects to make them more responsive to local stakeholder concerns, and through new projects that are participatory from the outset. Shared forest management initiatives are concentrated in countries or regions where ODA/DFID has a focus on environmental sustainability issues – reflecting the influence of environmental concerns on the expansion of the forestry programme. Within this there has been a further focus on countries where ODA/DFID already had experience in forestry (Bird, 1996: 5). India has been the largest recipient of bilateral aid supporting participatory approaches during the period 1987–97, receiving more than one third of the total spending on this approach (see figure 12).

The conclusions of this review are in many ways a

progression from the findings of previous reviews. Pre-project preparation, multidisciplinary at all stages of the project cycle, and clear, achievable goal setting are all reiterated.

The increased awareness of accountability for limited public funds is shown in a commitment to define and apply impact indicators (Bird, 1996: 22). The more focused approach to strategy is demonstrated in the recommendations to inform London-based DFID staff through cross-disciplinary seminars, and field staff through short regional courses, on key issues and best practice in forestry (Bird, 1996: 22). There is a clear recommendation that participatory forest management continue to be supported with DFID funding. The reason for this is that shared forest management initiatives confer high initial costs on all key stakeholders, who may therefore be unwilling to use the approach. Donor agencies such as DFID can bear much of the risk and financial cost of the initial stages of shared forest management to encourage adoption of the process. However, to ensure sustainability, project design should include a planned phasing out of inputs and subsequent withdrawal (Bird, 1996: 23).

This has a number of implications for project design. A pre-project phase will often be desirable to allow relationships with key stakeholders to be developed, initial social and economic analyses to be undertaken and an adequate understanding of the potential flow of costs and benefits to be obtained before project implementation. Project design must incorporate rigorous use of economic methods to examine costs and benefits and incentives. Local skills should be used to capture local forest values and incentives in the cost/benefit analysis (Bird, 1996: 21).

The participatory approach should also be extended to impact assessment, which is now integral to all UK forestry projects. Intermediate indicators should be incorporated into the project design, to assess its impact on all key stakeholders, and locally derived indicators should be included in project monitoring to ensure the project meets local values and objectives (Bird, 1996: 23).

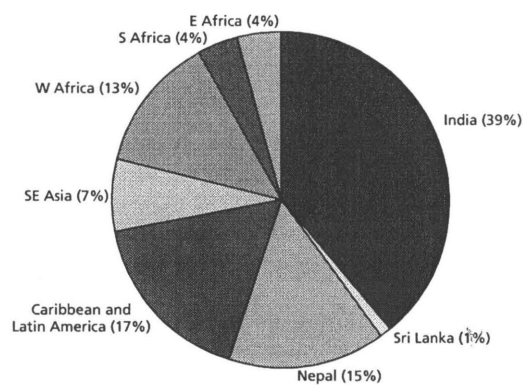
9. CONCLUSIONS AND PREDICTIONS

Forestry development assistance has changed considerably since a single agency was established to administer aid to the colonies. The administration of aid has improved in many ways. To some extent this has been a consequence of a difficult financial situation, but even if this improves, the valuable lessons learned should continue to be applied. There is unlikely to be a large difference in the level of funding available in the medium term.

The sharp country focus is likely to continue, although the particular countries selected as priorities may change. India will probably remain the most important recipient both for forestry aid and general assistance. It is unlikely that countries in the Pacific and Central America will gain new projects.

Coherence in aid delivery will remain an important consideration. All forestry projects will need to address issues raised in Country Strategy Papers as well as in the

Figure 12: Shared forest management



(Source: DFID Statistics Department)

new Forest Strategy paper (Autumn 1997) to be successful in obtaining support. This will apply more and more to research and to Joint Funding Scheme projects as well as to those funded under the bilateral programme.

NGOs will still have an important role to play both as lobbyists (as issues of policy and level of funding are discussed) and as channels to implement official assistance. The volunteer scheme is likely to continue to receive support. There will still remain a role for a sizeable bilateral programme, but personnel will be recruited more and more from the partner countries, and the number of consultants will also increase, leading to a fall in the number of Technical Co-operation Officers.

Project length is recognised to be a problem but this is difficult to change given the way the budget is voted. There are likely to be long-term inputs of around 10 years in a particular area, to give continuity and allow innovative projects with high levels of community control to be supported, but this input will be implemented in a series of shorter phases.

The main forestry policy priorities focus on forestry and poverty; on negotiating objectives with country partners and on maintaining a high level of debate about forests within Europe and the UK. DFID's priorities in the sector also include helping to promote institutional development in government and NGOs and more representative local government; applying lessons from the shared forest management review; promoting participation by women and other disadvantaged

Box 3: Participatory forest management

The four pillars of best practice are:

- analytical rigour across the project cycle, ensuring that strategy matches objectives;
- clear, adaptable and realistic timeframes which enable the process to be firmly established;
- flexible roles that shift decision-making and budgetary authority to the local level;
- negotiating an accord with values held by other stakeholders.

(Source: Bird, 1996, ODA Working Paper 6, 20)

groups; and working with government, NGOs and the private sector to promote socially and environmentally responsible private investment policies.

These priorities are very different from those of even twenty years ago when there was still an emphasis on silvicultural work and academic training for individuals. Field projects may be less important in the future, with greater emphasis being given to assisting the development of a positive policy environment. The global environmental agenda will have a significant influence on projects funded both by DFID and through other government departments and the multilateral agencies. Carbon sequestration may be an area where forestry can make an important contribution in the future, and development of valuation methods could be supported. DFID may gain a broader brief than that of ODA, to cover issues relating to trade and debt, but this is unlikely to cause much policy change in practice as there has always been full consultation as these issues relate to forestry, within Whitehall.

Project cycle management has become much more rigorous and this will continue to be the case. The use of objectively quantifiable indicators of project success and the need to demonstrate how projects contribute to the solution of predetermined development problems will increase. Accountability to the UK public will remain important, but the importance of stakeholders directly affected by a project will also increase. Local communities will, where appropriate, be more closely involved at more stages of the project (from conceptualisation to assessment and review) than they were in the past. This will often require a different type of project design to ensure delivery of well defined results but a flexible approach to the way in which these are achieved. This is likely to require additional project monitoring, often by external consultants.

The future of UK forestry development assistance appears to be fairly secure. The position within the natural resources sector is a convenient one for collaboration with other sectors, particularly agriculture, and does not affect the level of funding available to forestry. This depends on priorities set within Country Strategy Papers, where forestry is well represented. Although public concern for tropical rainforests may no longer appear as great as it was, 80% of all letters received by the Department are still from schoolchildren asking questions about this issue.

A government White Paper on Aid was published in the autumn of 1997, the first for twenty years. The UK aid programme, and particularly the forest sector, has responded well to the challenges of the last twenty years, and generally has a good reputation within the donor community and with those it seeks to help. Independence from the Foreign Office and the increased status of the Department within government could allow DFID the freedom to tackle two of the issues for which the UK aid programme was criticised in the last DAC review (in 1994). By reducing the importance of foreign policy including trade objectives (and giving greater weight to development criteria) and the extent to which UK aid is tied (at 67% among the highest of donor countries) to the purchase of UK goods and services, DFID could improve the quality of its assistance. The signs are that the Labour government is tackling these issues.

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ACRONYMS

ACTS	Annual Country Training Specifications
ATP	Aid and Trade Provision
BOND	British Overseas NGOs for Development
CDC	Commonwealth Development Corporation
CGIAR	Consultative Group for International Agricultural Research
CIFOR	Center for International Forestry Research
CSP	Country Strategy Paper
DAC	Development Assistance Committee of the OECD
DFID	Department For International Development
DoE	Department of the Environment
EIA	Environmental Impact Analysis
EPD	Environment and Policy Department
EU	European Union
FAO	Food and Agriculture Organisation
FC	Forestry Commission
FCO	Foreign and Commonwealth Office
FER	Fundamental Expenditure Review
FIC	Forest Industry Council
FRP	Forestry Research Programme
GEA	Global Environmental Assistance Programme
GEF	Global Environmental Facility
GNP	Gross National Product
ICRAF	International Center for Research in Agroforestry
IFS	Indian Forest Service
IMF	International Monetary Fund
ITTA	International Timber Trade Association
ITTO	International Tropical Timber Organisation
IUCN	International Union for the Conservation of Nature
JFS	Joint Funding Scheme
NFAP	National Forestry Action Programme
NGO	Non-Governmental Organisation
ODA	Overseas Development Administration
oda	Official Development Aid
OECD	Organisation for Economic Co-operation and Development
OPR	Output-to-Purpose Reviews
TC	Technical Co-operation
TCO	Technical Co-operation Officer
TCT	Technical Co-operation Training
TFAP	Tropical Forestry Action Plan
UK	United Kingdom
UN	United Nations
UNAIS	UN Volunteers
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNHCR	United Nations High Commission for Refugees
UNCED	United Nations Conference on Environment and Development
VSO	Voluntary Service Overseas

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Note on currency: on 1 September, 1997 US\$ 1 was equivalent to £1.61.