

# Assistance to Forestry

Experiences and Potential  
for Improvement

Reidar Persson

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## *Acronyms and Abbreviations*

AAS	African Academy of Science
AfDB	African Development Bank
AsDB	Asian Development Bank
CATIE	Tropical Agricultural Research and Higher Education Center, Costa Rica
C&I	Criteria and indicators (for SFM)
CGIAR	Consultative Group on International Agricultural Research
CID/Harvard	Center for International Development/Harvard/Boston, USA
CIDA	Canadian International Development Agency
CIFOR	Center for International Forestry Research
COFO	FAO Committee on Forestry
CPF	Collaborative Partnership on Forests
CSD	Commission on Sustainable Development
DANIDA	Danish International Development Assistance
DFID	Department for International Development/UK
EC	European Commission
ETFAG	European Tropical Forestry Advisors Group
FAO	Food and Agricultural Organization of the UN
FINNIDA	Finnish Development Agency
FLCD	Forestry for Local Community Development Program
FMP	Forestry master plan
FSC	Forest Stewardship Council
FSI	Forest Survey of India
FSR	Forestry sector review
FTPP	Forests, Trees and People Program
GDP	Gross Domestic Product

GEF	Global Environmental Facility
GNP	Gross National Product
GTZ	German Agency for Technical Cooperation
HDI	Human Development Index
ICRAF	International Center for Research in Agroforestry
IFAD	International Fund for Agricultural Development
IFAG	International Forestry Advisors Group
IFF	International Forum on Forests
IIED	International Institute for Environment and Development
IMF	International Monetary Fund
IPF	Intergovernmental Panel on Forests
ITTO	International Tropical Timber Organization
IUFRO	International Union of Forestry Research Organizations
JFM	Joint Forest Management
JICA	Japanese International Cooperation Agency
LFA	Logical Framework Analyses
MARD	Ministry of Agriculture and Rural Development, Vietnam
MPI	Ministry of Planning and Investment, Vietnam
NCS	National Conservation Strategy
NEAP	National Environmental Action Plan
NFP/nfp	National forest programme
NGO	Non Governmental Organisation
NWFP/NTFP	Non wood (timber) forest products
ODA	Official Development Assistance
ODA	Overseas Development Administration/UK (before DFID)
ODI	Overseas Development Institute
OECD/DAC	Organization for Economic Cooperation and Development/Development Assistance Committee
OED/WB	Operations Evaluation Department/WB
SAREC	Swedish Agency for Research Cooperation with Developing Countries
SDC	Swiss Agency for Development and Cooperation
SEK	Swedish Crowns
SFM	Sustainable Forest Management
Sida	Swedish International Development Cooperation Agency (from July 1995)



SIDA	Swedish International Development Authority
SOU	Report of a Swedish State Commission
SUAS	Swedish University of Agricultural Sciences
TA	Technical Assistance
TFAP	Tropical Forestry Action Plan
UN	United Nations
UNCED	United Nations Conference on Environment and Development
UNDP	United Nations Development Programme
UNFF	United Nations Forum on Forests
UNICEF	United Nations Children's Emergency Fund
UNSO	United Nations Sahelian Office
USAID	United States Agency for International Development
USSR	Union of Soviet Socialist Republics
WB	World Bank
WCFS	World Commission on Forests and Sustainable Development
WRI	World Resources Institute
WWF	Worldwide Fund for Nature

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## *Summary*

Assistance to forestry has been increasing over the last 40 years. It has gone through several phases: industrial forestry, social forestry, environmental forestry and sustainable management of renewable natural resources. We may now be in a fifth phase, which puts emphasis on poverty reduction, governance, institutions and the rule of law. Many projects now also want to consider issues outside the forestry sector.

All these phases have met with problems. When one approach has failed a new one has been developed. The results of 40 years' work are not impressive. It may be possible to find examples of successful projects (primarily small ones), but projects seem to have influenced forestry development in general in very few countries. In some countries plantation programmes have developed quite well. In the case of natural forests, SFM is still an exception. Forestry has neither been of much importance for development nor poverty reduction. Deforestation is hardly being reduced.

During the last 15–20 years interest in and support for forestry has increased considerably. The amount of support for forestry may, however, have peaked some years back. In IPF/IFF/UNFF there is much talk about forestry and much talk about the need for increased investments in forestry in developing countries. There are, however, many ambiguities concerning how to best use increasing (or even available) funds for forestry.

The objectives of forestry are not clear. Should humans or forests be put in the centre? Should the forests be utilized as much or as little as possible?

Analyses show that forestry itself will do little to influence the rate of deforestation. The main reasons for deforestation lie outside of the forestry sector. The frequently stated positive environmental effects of forests do often seem to contain overstatements.

In many developed countries, forestry has taken the countryside out of poverty. But we do not seem to know, at present, how forestry can best contribute to development and poverty alleviation in developing countries.

There is a need for a new narrative for forestry and forestry support. Old narratives like fuelwood shortage, environment and employment are no longer adequate. Rural development may prove to be the only possible narrative. About 1000 million poor people live in rural areas. In many circumstances, forests and trees are an important resource and can sometimes generate the resources needed to promote development.

On the recipient side, one can identify a lack of commitment to SFM, corruption, lack of capacity, weak administration and unclear roles of authorities, lack of participation, lack of transparency and lack of clear objectives for forestry. These problems should come as no surprise. If they weren't there, assistance wouldn't be needed. However, it does not follow that support to forestry is a necessary part of the assistance given to a country.

One can ask if most donors can really give meaningful assistance to forestry (and other small special sectors). It may be easier for donors to work with macroeconomic policies or large sectors, like health. Donors may not be suited to handling support to forestry, with its many different stakeholders, corruption, need for a holistic view, conflicts, and strong influence of external forces. Forestry may simply be too complicated for normal donor projects. It is also likely that many types of assistance to forestry can have negative effects. One interested donor may be of value as a dialogue partner, for example, but 10 different donors may just be too much.

Considering the above, it may not be so strange that forestry assistance meets with many problems. What is somewhat surprising is that most donors do not have an administration that is suited to assistance to forestry. Donor organizations are under pressure to become more efficient. This leads to constant reorganizations, a love for popular subjects, glossy brochures and planning, planning, planning. In spite of all the talk about ownership and partnership, projects are still very often donor driven. The bureaucratic systems of most donors are very complicated. The 'cooks' that want to have a say are numerous.

It is not only forestry that experiences problems. A number of recent reports have given a rather clear picture about the general problems of development assistance. Assistance has hitherto been given, to a large extent, for political reasons. Results have often been considered secondary. There is increasing demand for efficiency, and an expectation that assistance should result in reduced poverty. This leads to demands for commitment, ownership and changed policies. Increasingly, there is (at least in words) a trend towards budget support. Due to fungibility it is difficult, in practice, to support sectors separately. Only when a country wants to achieve something can progress be made. Conditionality doesn't work. Changes and development cannot be bought with donor money.

It seems that we know what does not work. It also seems that we believe we understand quite well what works at macro level. We also seem to know quite a lot about what works at sector level (at least for small projects). If the knowledge we have was used, assistance would be more efficient. It would, however, sometimes mean that support to certain countries and sectors would have to be reduced (at least in the transition phase).

One must ask why existing knowledge is not used. Often one can see that the explanations are political. Someone or some strong group will lose if changes are made, and therefore resistance to change is high. Lessons learnt in the forestry sector can also be in conflict with lessons learnt at the macro level. The rules of most aid organisations make it very difficult to use existing knowledge about forestry assistance. It is therefore likely that forestry assistance will continue to disregard the lessons and will continue to experience many problems. Assistance to forestry must be planned with this in mind.

Most donor organisations develop strategies to decide how forestry should be supported. The strategies do not really consider the problems and 'administrative reality' described above. Nor do they consider the reality in new planning systems. Accordingly, some kind of 'country programme' is developed. According to theory, this should show the priorities given by the developing recipient country. Countries, however, rarely ask for support to forestry.

Foresters find many reasons to justify why support to forestry is so important. Those in power are considered not to understand the real value of forests or forestry. Many of those in power in developing countries may, however, understand that donor support will mean interference in many 'hot issues'. Donor administrations may understand that working with forestry issues will be complex and challenging.

If one seriously tries to discuss what are the prerequisites for success, one will see that the potential for really meaningful support to forestry is restricted to a very few cases. If the lessons were followed, support to forestry ought to decrease. Unless drastic changes are made, the funds could often be better used for something else. In many countries, reduced support would hardly make much of a difference. SFM can rarely be bought with money or achieved with conditionalities.

Support to forestry will not cease. Some countries will ask for support and some donors will have special funds for forestry. What, then, should be done? There may be a need for certain strategic support to forestry that does not cost a lot of money.

There are many problems to solve in forestry, but the following ought to be considered as areas of priority:

- Rural development (including forestry and dialogue at the national policy level)

- Improving policies
- Capacity building
- Strengthening of analytical capacity
- Strengthening of research
- Developing systems for learning (in both donor organizations and developing countries)

Development of these areas (except rural development) would mean that the 'basics' are strengthened. Developing countries would in due time acquire the capacity to really manage their own business.

Strengthening of the 'basics' is often best done through regional networks or similar types of strategic long-term support. For many of the issues, support can probably best be given through international organizations. Direct support, through bilateral donors, is often complicated. The needs of forestry projects and the administrative rules of bilateral donors often do not match very well. A centralised 'CGIAR-type' of funding could also be a possibility.

In the future we must expect a lot of change. To give optimal assistance to forestry rather drastic changes would be needed in the way donor organizations operate. Such changes are not very likely. What we can expect are small continuous adjustments (reorganizations). The basic problems will not be solved. Support to forestry will continue to be complicated.

# 1

## *Introduction*

### **1.1 The purpose of this report**

The international debate on '*assistance to forestry development*'<sup>1</sup> is focused largely on how to obtain more funding for forestry and to identify international mechanisms for cooperation (Moura Costa *et al.* 1999, Chipeta and Joshi 2001, ITTO 1997). I am interested in complementing the appeals for money with a debate on what can be done to use existing funds more effectively ('*spending smarter*' or even '*doing more with less*'). To this end I have compiled this report that attempts to describe and discuss the current situation and challenges.

The purpose of this report is to stimulate international discussion on where we stand today and what ought to be done in the future. The text is therefore brief and condensed; many details have been left out.

### **1.2 Method**

This work started about 35 years ago when I first became involved in international work. Since then I have worked with FAO, SIDA/Sida, SAREC, CIFOR and the Swedish University of Agricultural Sciences. I have continuously taken notes on lessons (the do's and don'ts) and been continuously engaged in establishing policies for improving assistance to forestry, environment and rural development. I have worked rather intensively with about 10 developing countries and worked for shorter periods in another 35. Around 20 articles about assistance have been written (initially often defensive). This report is a summary of work done during the last 10 years. The compilation of this report started with the preparation of material for a seminar at CIFOR in Bogor. The first draft was based on that seminar, my own work and a study of literature. The different drafts have been discussed at workshops that have been arranged

with different interested parties. Workshops have been arranged with, for example, IFAG, ETFAG, CID/Harvard/Boston, IFF 4, CIFOR, Sida and aid officials in Jakarta. Written comments on different drafts have been received from numerous people in developed and developing countries. The content of the report has, during the last few years, been under constant discussion with colleagues.

### 1.3 Some points of departure

At international meetings, many participants regularly voice the statement that donors have provided, and are providing, only 30% of the assistance that was promised at the UN Conference on Environment and Development in Rio de Janeiro in 1992 (UNCED, or the 'Earth Summit'). It is also stated that much more funding is needed for 'sustainable forestry' (e.g. Chandrasekaran 1997). At the same time, however, there are ample studies showing that assistance already given to forestry (and assistance in general) has not been very successful<sup>2</sup> or, at least, has encountered problems (e.g. Brown *et al.* 1999, Bruenig 2000, Byron 1997, Fruhling 2000, Griffin 1988, Lindahl *et al.* 2001, Rice 1998, Sayer 1995, WB/OED 2000b, Voysey 2000).<sup>3</sup>

It should be clear that forestry is not the only sector in need of new and additional resources. At all international meetings attempts are made to secure more funds for the sector or theme under discussion (be it agriculture, environment, gender or the social sector). Forestry must prove that the results achieved are better than, or at least as good as, those expected from other sectors.

The discussion about forestry assistance is complicated in part because those with an interest in the issue are divided into at least two major camps. In the first group, we find those who, in principle, view all development assistance (and not least forestry assistance) negatively, whereas the other group is composed of people who view assistance to forestry as good, more or less by definition, and are preoccupied mainly with obtaining more funds. Most reports about assistance to forestry elaborated so far represent the second viewpoint. This is to some extent understandable, given the fact that they are often written or commissioned by the organizations giving assistance to forestry.

Reports about forestry assistance often use crisis messages (e.g. deforestation and fuelwood shortage) to appeal for increased funds (and perhaps sometimes to justify outside intervention). Sometimes reports also state that they have found solutions to earlier problems, such as joint forest management, village woodlots, integrated conservation and development plans, non-timber forest products or buffer zones. Looking back, many of the crisis messages and solutions ('quick fixes') have shown severe limitations. Decisions about assistance to forestry, and about development assistance in general, are, in fact, often taken on the basis of very simplified and unscientific messages (Leach and Mearns 1996, Guthman 1997).



Further hindering quality improvement of forestry assistance is the reluctance on the part of many foresters to openly admit the shortcomings of their own sector, maybe fearing that sectors other than forestry could then take advantage and increase their share of the overall development assistance budget.

The discussion here on forestry assistance mainly concerns bilateral donors. The situation is in certain respects different with regard to the development banks and other international organizations like FAO and NGOs. Nonetheless, much of what is said here has general validity beyond the focus on bilateral donors. Specific comments for selected organisations are provided later in the report.

It should be acknowledged that it is difficult to name the sources of many of the statements and conclusions made in this paper. In relevant cases, where studies or reports do exist, the organizations concerned will most probably state that the problems analysed have already been resolved. In other cases no reports have been written, but the situation has been described in discussions at different forestry meetings. Without sources to quote it is difficult to name the countries or organizations from which the examples are taken.

Some arguments in this paper therefore become general and anecdotal. They are based on my own experience and on discussions with and comments from colleagues. The objective has been to at least be able to say that there is some kind of a majority view for the background and catalogues of problems presented here. It will, on the other hand, never be possible to get a consensus on how to present the material. The conclusions and recommendations for actions given are, however, very much my own judgments. There is no 'scientific truth' in this respect.

In this report I include a number of Swedish examples. Having spent 18 years in the Swedish aid administration, I have my most detailed knowledge from there.

I often talk about 'projects'. In practice there is now a trend away from projects towards programmes, but many programmes are simply a collection of projects. Rather than refer to 'projects/programmes', I use the term 'project' to be inclusive of programmes.

On a personal note, I believe the UN's goal of giving 0.7% of GNP to developing countries should be implemented. There are enormous needs for funds in, e.g., the health sector (Sachs 2000). I have no opinion, however, about how much should be allocated to forestry. My view is that, while there is a compelling argument for providing support to endeavours such as the conservation of treasures like Angkor Wat or unique national parks, 'development assistance' should primarily be targeted at helping poor people. An important issue to consider is *how*, and *to what extent* forestry can defend its own role in this context.

**Box 1. What can assistance deliver?**

The objectives of assistance are, of course, not to deliver problems but to deliver development. Assistance means primarily foreign exchange (money), experts and dialogue.

Foreign exchange should make it possible for countries to make investments, which they cannot do with their own resources, in order to speed up economic development.

'Experts' can have many roles. They can be 'gap-fillers'—doing the work until the country have personnel of their own for the tasks. The experts can also train personnel in the country to do the job (traditional TA). Sometimes the experts can give advice. If the recommendations are good and are implemented, development may speed up. By being outsiders, experts can sometimes also be helpful in solving difficult domestic conflicts.

The so-called 'dialogue' is also considered an important part of assistance. It often means that the donor puts pressure on the recipient to change, for instance, certain policies that are considered as obstacles to development. In the best cases, this kind of political pressure can mean that 'progressive' groups can be strengthened.

If things go according to the textbook, a developing country will, after some years, be so 'economically developed' that assistance is no longer needed. Countries like South Korea and Taiwan belong to that category. It is, however, rare that things work according to the textbook. Assistance often encounters problems. 'Grant economics' entail numerous problems. This report discusses what to do to improve things in situations that are less than ideal.

# 2

## *Forestry Assistance in Perspective*

### **2.1 General**

International forestry assistance during the last 30-40 years can be said to have passed through four different phases (or paradigms), which have followed one after the other, but to some extent, have also appeared simultaneously. These phases or paradigms are more easily visible in the international discussion than in the actual implementation of projects and programmes. A brief summary based on Persson (1998a) is presented below.

### **2.2 Industrial forestry**

This approach, which dominated from the beginning of the 1960s for at least one decade, emphasised forestry as the engine of economic development and modernization in developing countries. Forest industries were to play a leading role in the economic 'takeoff' of these countries, and investments were thus made in, for example, vocational training, inventories and plantations as well as in sawmills and occasionally pulp and paper factories. The main philosopher behind this approach was Jack Westoby (Westoby 1962). The role of forestry as an engine in the development of the Nordic countries was part of the background.

In spite of some positive results, the outcome can hardly be considered successful during the initial phase (e.g. Douglas 1983). In many cases the timber was simply exported as round wood, which led to considerable felling but little industrialization, and, because of the use of modern techniques, resulted in limited employment. In addition, the local population often experienced hardship as a consequence of this 'exploitation' type of forestry. Lots of money disappeared in corruption. Whilst plantations of fast growing species were established and often developed quite well, the establishment of the whole production chain necessary for processing industries such as pulp and paper manufacturing proved, on the other hand, to be considerably more difficult than originally foreseen. In more recent

years this approach has gained strength in countries like Brazil, Chile and Indonesia. Some consider the development in these countries a success, while others are full of doubts (e.g. Barr 2000). See also Chapter 3.3.3.

### **2.3 Social forestry (or, Forestry for local community development)**

The rather discouraging experiences from the industrial strategy, in combination with severe droughts in the Sahel region and the worldwide oil crisis, undoubtedly played an important role in the birth of a new forestry approach during the first half of the 1970s.

From large-scale industrial undertakings, the focus was shifted to the various environmental threats (erosion, land degradation, desertification) and was clearly linked to the newly emerged 'fuelwood crisis' and the miserable living conditions of the rural poor. The solution advocated to address these problems was to help the local population grow trees for fuelwood and other household purposes. This new approach developed into several forms and therefore came to be known by many different names such as social forestry, village forestry, community forestry and farm forestry. (Here, the term social forestry is used for all these various forms.)

The design of the projects that evolved from this strategy was, to a considerable extent, based on an exaggeration of the fuelwood crisis and did not normally reflect the priorities of the farmers themselves. The planting of trees also highlighted the complexities regarding tenure and usufructuary rights in rural areas.

Later versions of social forestry projects were generally more realistic and farm forestry in particular has no doubt been successful in many cases. The results must, however, be considered rather mixed and were not at all as rapid and easy to achieve as was believed at the beginning of the 1970s. This approach did, however, start an important learning process regarding rural realities, and produced many valuable methodological experiences, not least regarding new approaches for collective civic participation.

More recently, social forestry has turned into 'joint forestry management' (JFM), with the local population being engaged in the management of state forests (primarily natural forests) and receiving a share of the income. There is great potential in many of these approaches. Government authorities, however, often resist giving (back) tenure rights to the local people and therefore the potential benefits from social forestry initiatives have not been fully realised (Arnold 2001).

## 2.4 'Environmental' forestry

During the first half of the 1980s the environmental side of social forestry was substantially reinforced by increasing public concern regarding rapid deforestation in many tropical countries. The large-scale clearing and burning of virgin rainforests in Amazonia became a symbol of human shortsightedness and ignorance. This kind of deforestation not only threatened the survival of indigenous people and caused severe degradation of the local environment, but was also said to have global implications.

Saving the rainforest and halting deforestation worldwide was now considered the most important task for forestry assistance, and it was in this context—as a response to increasing demand for decisive and coordinated measures—that the Tropical Forestry Action Plan (TFAP) was born in 1985. Aspects of productive (sustainable) forestry, improved conditions for the rural poor and community participation were also present, but often fought an uphill battle. Instead, interest in and funding for the establishment of national parks and reserves were growing.

This tendency towards nature conservation, focusing on forests rather than on people, became even stronger at the end of the 1980s and the beginning of the 1990s, when the need to defend biodiversity gained strong support and the hypothesis regarding 'global warming' became widely accepted.

In terms of overall results, the outcomes from this approach are not very impressive and are somewhat paradoxical. Regarding priority goal number one—to halt tropical deforestation—hardly any real progress can be observed<sup>4</sup>, whereas the new aspects related to production (sustainable forestry) have no doubt been influential and at present often appear on the agenda of many governments' programmes (and meetings), in contrast to the generally small areas of forest that are actually managed sustainably.

## 2.5 Sustainable management of renewable natural resources

Somewhat in parallel with the last two paradigms described above, we have seen the development of a new approach in recent years, which, at least within, for example, Sida-(the Swedish International Development Cooperation Agency) supported projects, is beginning to dominate. In this new approach forests are no longer the starting point; instead, the rural people, their survival strategies and their own priorities are the primary focus. The common farmers in developing countries do not manage forests, agriculture or livestock; rather, they combine available natural resources in the best way possible in a given situation. They generally possess a high level of knowledge regarding the environment in which they are active. If they act in ways that,

from our perspective, may seem wrong or harmful, this seldom depends on ignorance but on other factors.

This broader and more people-centred approach has now been integrated into the former Swedish forestry programmes in Laos, Vietnam, Tanzania and Ethiopia. Similarly, most Swedish-supported soil conservation programmes now include agroforestry and tree cultivation components to cater for the prospects and needs of the small farmers. If this trend continues, then all the programmes which originally were dedicated to forestry, soil conservation, agriculture or rural development will basically adopt the same concept: improved management of renewable natural resources for the benefit of poor people. Dedicated attempts have been made to involve national policy levels too in these programmes.

The trend towards programmes that promote integrated management of natural resources has met with some resistance, and concern has been voiced that 'sectors' tend to disappear and, in the process, 'forests' are more easily left out than, for instance, agriculture. Notwithstanding all the problems there is sometimes real potential for industrial forestry and large-scale plantations, but this should generally be promoted through market-based interests. To support such processes, and to contribute to making them sustainable, donors could assist institutions at national level. At the local level, however, an integrated perspective seems to be more compatible with placing people as the focus, and enabling them to improve their own living conditions.

One may now possibly see the signs of a fifth phase in which poverty alleviation and improved livelihoods are given more prominence. There is also increasing interest in conditions outside the forestry sector *per se*. Issues like governance, civil society, and policies in, for example, agriculture and trade are in most cases more important to forestry than the method of silviculture or the choice of species used in plantations.

## 2.6 Results achieved

Support to forestry gradually increased from the 1960s. The phases of the development were described above. FAO/UNDP was the most important actor, but a few bilateral donors were also active. The major share of developing countries was involved in the Tropical Forestry Action Plan (TFAP) in the 1980s. The interest in TFAP led to increasing assistance to forestry and many new donors joined in. Support for the Plan was probably at its peak in the early 1990s.

The TFAP has been much criticised. The most common criticisms are that it was donor driven, used a lot of external consultants, did little intersectoral work, and became a shopping list of projects for donor funding. For about 15 years, better planning has been offered as the panacea for reducing deforestation and other forest-related

problems (*'Forests should be saved fast by careful planning'*). In some developing countries, five to ten competing plans have been developed (TFAP/NFP, FMP, NEAP, NCS, FSR, etc). Yet the Tropical Forestry Action Plan and other strategies have been far from successful. Is better planning really the answer? Has it ever been implemented?

One can also point to some positive outcomes of the 'planning era'. TFAP has now evolved into 'national forestry programmes' (nfp). This should be a valid concept in all countries (in 'all types of forests'). The concept has been approved in the IPF/IFF process. And in spite of all criticism and disappointments, TFAP and its successors have led to an enormous increase in the interest for forestry. Many countries have experienced serious planning processes and policies were drastically changed and modernised in a number of countries. However, so far little seems to have happened on the ground.

A number of achievements in the forestry sector during recent decades (at least partly dependent on development assistance) can be identified.

As is the case in other sectors of society, donors and forestry organizations have difficulty learning from experience. But they do learn. Two decades ago we had little knowledge of or interest in many issues widely seen as relevant to forestry today, such as tenure, gender, holistic approaches, non-timber forest products, joint forest management, and sustainable forest management. Much has been learnt from the experiences of working with projects—some of them problematic—which would probably not have been learnt just by research. Some new knowledge about these issues in relation to forestry has been put into practical use.

In the field of research great leaps forward have been made in the field of fast growing plantations. This may change the future of the world's forestry. There is no longer a fear of a future wood shortage. Progress in wood technology has also affected forestry. Low quality wood can now be turned into high quality products. Biodiversity is another area where a lot of progress has been made.

It is therefore possible to portray a positive picture of what has happened during the last few decades. However, deforestation has not stopped and sustainable forestry management<sup>5</sup> is rarely practiced in the tropics other than on an experimental scale. There is much talk about joint forest management (JFM) and other approaches to engage the local people but, in summary, many forestry departments resist giving possession rights to the local people. So, even if one can say that much that is positive has happened, it is possible to argue that negative outcomes have dominated. Much remains to be done. Assistance has not achieved what the first advocates of forestry assistance hoped for 40 years ago (e.g. organised sustained yield forestry, reduced deforestation). Available donor funds have rarely been used in an efficient way. In many developing countries, forestry

has gone backwards. In many countries, large-scale unsustainable forestry (or forest mining) took off in the 1960s and 1970s and has generally continued unless or until the resource base has been exhausted.

## 2.7 Forestry assistance today

In January 2000 the OECD/DAC Secretariat produced a short report on ODA to Forestry for the period 1973-1998 (OECD/DAC 2000). Included in the statistics are only those activities that have forestry as their main purpose. This means that forestry activities in, for example, rural development and environment are not included. The statistics therefore give an underestimate of assistance to forestry.

The statistics show that bilateral aid in 1973-1998 amounted to US\$5000 million. ODA lending by the multilateral development banks amounted to US\$3000 million in the same period. The data show that there was a steady growth of assistance, in constant dollars, up to the early 1980s and it then remained stable (this contradicts the common view that TFAP led to increased interest in forestry). Total assistance peaked in the early 1990s. The total figure should at present (in 2000) be about US\$ 500 million per year.<sup>6</sup>

During this period, Japan was the largest forestry donor in value terms, while Finland had the largest share of ODA reserved for forestry with about 1% of all ODA.

The total ODA for forestry in the period 1994-1998 was US\$480 million per year. Of this amount, 29% was allocated to China and India. The top ten receivers (India, China, Vietnam, Pakistan, Brazil, Laos, Bangladesh, Chile, Nicaragua and Thailand) were given close to 70% of total allocations for forestry. The corresponding figures for the top ten receivers in Africa were 60%, in Asia 97% and in Latin America 81%. The OECD statistics show that the approximately 120 'remaining countries' receive a total of US\$47 million. This indicates that assistance to forestry is very unevenly distributed and that the allocation of forestry assistance appears somewhat *ad hoc*.



# 3

## *The Setting*

### 3.1 Some background

The total area of forests in the world is estimated at between 1400 million ha (Bryant *et al.* 1997, for virgin forests) and 5000 million ha (all types of naturally wooded areas). In many tropical countries, however, the most important tree resources are found outside what are normally called forests. About half of the world's forests (if we use the FAO's figure of total forest, 3900 million ha) are located in developing countries (FAO 2001a). At present, the forests are, according to FAO, being reduced by about 9 million ha or 0.25% per year (0.6% in tropical countries). Depending on how 'forests' and 'deforestation' are defined, estimates of annual rates of deforestation can, however, range from a few million ha to possibly 50 million ha (including clearfelling in temperate zones and clearing in rotational shifting cultivation). Viewed from a historical perspective, the current rate of deforestation is not in any way surprising. Rapid population increases, 'soft' governments, economic development and rapid social changes have often had a substantial impact on the forests. It remains to be seen if the transition to more stable and sustainable land use, which includes less deforestation, can be speeded up. Historically, real development and increased prosperity are the factors that have had the most positive effect on the forestry situation.

Forestry production in developing countries has undoubtedly increased. The table below gives some figures on the development of production, trade and the area of plantations (FAO Forest Products Yearbook, FAO 2001a, Persson 1974):

		1970	1999
Prod. industrial wood	mill. m <sup>3</sup>	207	427
Fuelwood	mill. m <sup>3</sup>	1172	1597
Sawn wood	mill. m <sup>3</sup>	54	96
Wood based panels	mill. m <sup>3</sup>	6	41
Pulp	mill. mt.	3	31
Paper	mill. mt.	10	81
Export	mill. US\$	16 166	22 531
Area of plantations	mill. ha.	31 (11) <sup>7</sup>	125 (80) <sup>8</sup>

The production of wood has increased, but has often taken the form of mining operations. Large-scale development of forest-based industries has taken place in rather few countries. According to the statistics, China is the dominating forest industry country.

There are different opinions regarding how much of what is shown in the table can be interpreted as positive and how much as negative signs of development.

Trends indicate that more of the industrial wood production in the world will come from plantations, especially tropical plantations (FAO 2001c). Behind this lies, *inter alia*, successful research concerning fast growing plantations and wood technology. At present only a few tropical countries are substantial contributors in this context, but more will become important. Simultaneously, large areas of natural forests in the world will lose their importance as the basis for traditional forestry, as investments will increasingly be made in plantations and not in natural forests. At the same time, natural forests will continue to hold importance—and perhaps increase in value—in terms of biodiversity conservation, world climate change mitigation, and for other goods and services they provide. With regard to the production of forest products for domestic use, the value of products from non-forest land has generally been underestimated. It is likely that the relative importance of that kind of production may increase in the future.

Forests and forestry have, in principle, great potential to help secure the livelihoods of poor people in rural areas and to generate economic development. This potential has, however, been realized only to a rather limited extent so far. In most developing countries, forestry and forests have been important primarily for subsistence and for covering part of the domestic demand for wood products. Fifty years from now, it is possible that our successors, looking back, will discover that 'forestry' has played a significant role in economic development and poverty reduction in only a few developing countries. In many countries the resources will simply have been wasted and the potential not realised, while in others, the poverty reduction potential, even if effectively captured, may not have been sufficient to achieve lasting economic development.

The above is the 'forestry story'. One should of course also consider the 'human story'<sup>9</sup>:

- 30 000 children die unnecessarily every day because of inadequate health care
- 1300 million people live in acute poverty
- 840 million suffer from hunger and malnutrition
- 160 million children suffer from malnutrition
- 1300 million people have no access to clean water
- 880 million lack access to basic health services
- Around 2 million ha of good agricultural land is destroyed every year

What is the principal 'problem'? Should one discuss the problems of forests or of humans? My own conclusion is that we cannot discuss forests and forestry without considering the human dimension.

### 3.2 The international policy dialogue

Interest in forests and forestry increased considerably in the 1980s, in response to reports about rapid rates of deforestation and forest degradation. That interest led to the development of the Tropical Forestry Action Plan (TFAP) in the mid-1980s. It also politicised the issue of forestry and made it a very hot subject at UNCED in 1992. Attempts were made to reach an agreement on a forest convention. These attempts failed, however. Instead, a document on 'non-legally binding forest principles' (UNCED 1992) was produced.

Many developed countries were not happy with the outcome of the debate on forestry issues at UNCED, and were further frustrated by the failure by the Commission on Sustainable Development (CSD) to reach an agreement on forestry. As a consequence of the CSD deadlock, the Intergovernmental Panel on Forests (IPF) was formed. It met four times between 1995 and 1997. In addition, a number of intersessional meetings were held. The results of these meetings were unsatisfactory to many. Therefore, discussions continued within the Intergovernmental Forum on Forests (IFF), which held a total of four meetings during the period 1997-2000. The problematic issues addressed by this forum were, in the first place:

- A possible forest convention,
- Environment and trade,
- The financing of 'sustainable forest management' (SFM), and
- The transfer of technology.

No agreement was reached on these issues. After tough negotiations, an agreement was reached on many other issues in February 2000. A UN Forum on Forests (UNFF) was proposed (and later accepted), which should continue the international dialogue until at least 2005. Proponents of a forest convention considered this outcome a great success. Others perceived that the convention issue was simply removed from the international debate for 5 years. This indicates that the final wording was so cryptic that everybody could interpret it the way they liked. The alternative to this unclear wording would have been an official acceptance that 5 years of international forestry discussions had ended in complete failure. The UNFF is now established. Its first meeting was held in June 2001. UNFF has a small Secretariat in New York, a Multi-Year Programme of Work and a Plan of Action. It has some 270 action proposals that should be implemented. International organizations are expected to cooperate within the so-called Collaborative Partnership on Forests (CPF)<sup>10</sup>. UNFF2 was held in March 2002.

Agreements could not be reached on the Terms of Reference for three working groups (on reporting, financing of SFM and transfer of environmentally sound technology, and legally binding instruments). Not much real progress has been made; what it amounts to is continued international discussion.

The climate of the debate has improved considerably in the past few years. There is no longer a pronounced North-South conflict, although the debate continues to be heavily coloured by the agenda of the North. Many developing countries do not take part. Further, it is worth noting that the current discussion is not always based on up-to-date knowledge concerning, for instance, forest resource assessments, fuelwood, deforestation and sustainable forest management.

Hitherto the international dialogue has mainly meant 'sustainable talking'. It remains to be seen if real, substantial achievements can be made. There is now a desperate demand for 'implementation'. The hope is that UNFF will be instrumental in this. After UNFF2 there is reason to express certain doubts. There is of course a risk that international discussions are used as an excuse for doing nothing. Many are of the opinion that only a convention can solve the forestry problems. But will signatures on a paper really make a difference? What can be achieved in practice by international negotiations? The important decisions are, after all, taken at the national level.

### 3.3 Objectives of forestry and forestry assistance

#### 3.3.1 General objectives

Discussion of assistance to forestry is frustrated by conflicts, disagreements and different attitudes towards forests and forestry in general. Part of this is rooted in the fact that, historically, forestry has both protected and destroyed forests, and may in both cases have provided development. Through the years, the conventional wisdom about forestry and the environment (with regard to issues such as a 'the fuelwood crisis' and desertification) has frequently been proven wrong.<sup>11</sup> Foresters have, as already mentioned, often used crises' messages to raise concern about problems facing the forests. Exaggerated claims contribute to scepticism and a risk that future messages will be dismissed ('crying wolf'...).

Many questions are regularly voiced:

*What is the main problem that forestry assistance should help to solve, and what is the vision that should guide our steps forwards? Is the main aim the wellbeing of forests or of humans? What is the potential role of forestry in development? What do*

*developing countries really want to achieve in forestry development? What can assistance in fact deliver? Etc, etc.*

In this context, we can identify at least two main schools of thought:

*1) Deforestation must be stopped and forests must be conserved.*

The reasons given for this main objective are the severe environmental problems often caused by deforestation (erosion, hydrological effects, climate change, reduced biodiversity, etc.). Forests are put in focus, and local populations (when they appear) are mostly seen as means to protect crucial/fragile areas, etc. That deforestation or conversion of forest land sometimes is necessary ('benign') is rarely considered.

*2) Forests should be used for the wellbeing of humans.*

Forestry should provide subsistence, improve the situation of the rural poor and contribute to economic development. All stakeholders should be involved in 'sustainable' management of the forests. This school puts people and their living conditions in focus and thus emphasizes the utilization aspect.

It is, of course, normally declared that forestry should fulfil both these objectives (and some more). But, in practice, one of them is generally given a clear predominance.

Varying objectives of major assistance programmes/projects within the same country can hamper the possibility of achieving positive results. This is a fundamental risk. There is at present a strong tendency among proponents of forestry programmes to concentrate on forest protection. Yet, one may question whether forests can be saved before the wellbeing of the people has been improved. On the other hand, commercial forestry of different types, which constitutes an important part of the logic of the second school of thought mentioned above, has rarely been of much use to the local population (2.2 and Arnold 2001). So far, forestry has not produced much of a positive impact, either on conservation or on development for poor people.

In my view, both conservation and 'development' should be secondary to the wellbeing of humans. That wellbeing should be made the prime objective (even if it means that, for some time, both conservation and certain kinds of economic development will suffer).

Below I will bring up certain issues of importance when reduced deforestation and/or development (poverty reduction) are the main objectives. When support to forestry started in the 1960s, development and poverty alleviation were the main aims. In the 1980s and onwards deforestation and the subsequent fear of biodiversity losses have been the main reason for the increased

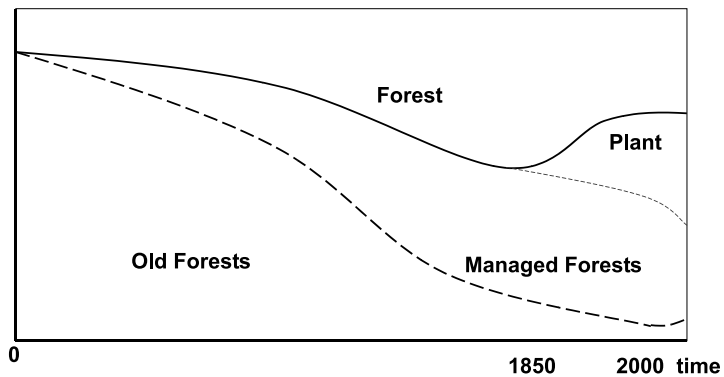
interest in forestry, and reduced deforestation was to be considered a sign of success of support to forestry. A key question is: is the desire to reduce deforestation a strong reason to increase support to forestry?

### 3.3.2 Forestry and deforestation

The main cause of deforestation is not the need for wood but the need to use the land for something other than growing trees. It follows that traditional forestry projects, which aim at planting trees, managing forests 'sustainably', making inventories, giving training, etc., have very little impact on whether the forests disappear or not.

Deforestation is nothing new. When it comes to forest development, one can draw a curve illustrating the historical process. In a very generalized way it looks as in Figure 1.

**Figure 1.** Development in Quality and Quantity of Forests

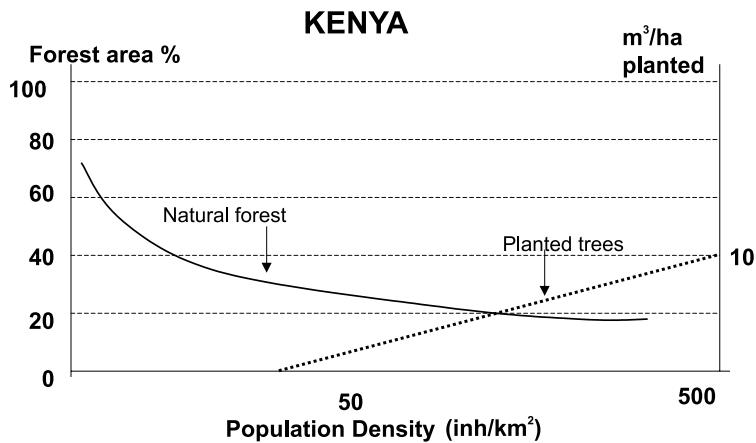


Source: Persson (1996 and 1998b)

The forest history of each and every country in the world can be described with a similar diagram. The exact shape of the curve, for a specific country, will depend on climate, soils, dominant economic activity and other factors. In the case of Europe, the curve illustrates quite well what happened during and after the 19<sup>th</sup> century. Prior to that period, the amount of forest area increased and declined depending on wars, plagues and the occurrence of economic development such as mining. It was not a steady decrease, as shown in the graph.

When natural forests decrease and people/societies begin to experience hardship, steps are often taken to remedy the situation by, for instance, planting or protecting trees (this is probably the result of increased value of trees and wood.) Figure 2 indicates the trends in Kenya.

Figure 2. Development of Forest Resources in Parts of Kenya



Source: FAO (1991), Holmgren *et al.* (1994), Persson (1998b)

Another case study, relevant in this context, concerns the island of Java in Indonesia (Diemont *et al.* 1991, Garrity *et al.* 1997, Whitten *et al.* 1996). It is well known that the natural forest area decreased rapidly in Java from 1800, resulting in large areas of unproductive grassland and environmental problems in the last century (30% of land area was grassland around 1900). Today, the situation is as follows:

Natural forests	1 million ha
Forest plantations	2 million ha
Home gardens	2.4 million ha
Agricultural tree crops	3.5 million ha
Shade trees, etc.	+
Total land area	13.2 million ha

These figures indicate that Java today is tree covered to about 70%. During the past few decades the proportion of tree-covered area has been stable, in spite of a fast growing population. The more people per area unit, the less natural forests, and the more trees (e.g. home gardens). This example shows that people themselves can take steps to solve environmental and forestry problems—if they are not prevented from doing so.

Similar patterns are characteristic of many other countries and parts of countries, such as Bangladesh, Nepal, Kerala in south India, Rwanda and the Kilimanjaro area in East Africa. One observation is that this pattern may be more typical of areas of high productivity, and that the benefits may not be as attractive in areas of low productivity.

To change the trends and reduce deforestation, a consensus is needed among groups that can make a difference (such as farmers, political leaders and industrialists). Other conditions are also important, many of them differing from case to case (Persson 1996).

From the above one can possibly conclude that deforestation may often be 'solved by itself'. In our time, however, this may mean that deforestation will not stop until most of the forests in many countries have disappeared. Can the process be affected so that change appears earlier and more forests are saved?

David Kaimowitz (2000) has discussed this subject in an article. He stresses that there is now a pronounced interest, especially in developed countries, in reducing deforestation and also that the causes of deforestation are relatively well understood. He argues that there are three ways in which governments (and donors) could reduce 'unnecessary' deforestation. They are:

- The multisectoral approach. Things like relative prices, transportation costs, agricultural subsidies, employment opportunities outside forest regions and energy and mining policies greatly influence forest clearing. So do macroeconomics, trade and sectoral reforms. Aspects like these are, however, rarely considered in forestry programmes. Forestry programmes are still primarily sectoral.
- The regulatory approach. 'Command and control' is a possibility but will meet with a lot of difficulties. Is it a technically possible approach in countries with a weak administration? Corruption often makes attempts unsuccessful (historically, command and control have rarely been successful). 'Regulatory approaches' are hardly ever tried.
- Payment for environmental services. This concept has been much talked about, but little has been done to implement it in practice. Forest as a carbon sink is probably the only service for which payment of some magnitude can be envisaged.

Donors very often say that they are interested in reducing deforestation. In practice they spend assistance money on things which have no real effect. There have been a lot of symbolic activities (Kaimowitz 2000). Some may be of the opinion that IPF/IFF/UNFF can be regarded as belonging to that category of inefficient actors.

In a report published in 1995 (Persson 1995) I discussed what could be done in somewhat different words than Kaimowitz. I tried to show which action would have the greatest potential for reducing deforestation in the tropics. The percentages, as given below, should, in theory, show how much different action could reduce deforestation, if the potential was utilized:

- Certification, reduced export of timber, NWFP, ecotourism and similar technical fixes. 5-10%
- Changes in national policies (e.g. land reforms, macroeconomy). 30%
- Changed trade relations between developed and developing countries. Reduction of the burden of debt. 10%



- 'Development' 50%
- + 'Improved' agriculture
- + Increased employment outside the agricultural sector
- + Sustainable forestry
- + Urbanization
- + Reduced population growth

Under 'development' I also included:

- Reduced poverty.
- Stronger and more democratic governments.
- Knowledge and 'will' of those in power to do something.

Today I would like to change some details, but the main message remains. There are no easy technical fixes that will, quickly and easily, reduce deforestation. Changes in 'wrong' policies are probably the 'easiest' way to reduce unnecessary deforestation. What is most needed in the long run, however, is 'development'. Work towards that objective has, however, hitherto often caused deforestation in the short run. At certain stages 'development' may cause deforestation. That cannot, however, be an argument for keeping people in poverty.

### ***3.3.3 Forestry, poverty and development***

Theories of development change over time. The first ideas were about a Marshall Plan for development, industrialization and growth. Forestry followed the development theories of the day however possible. A number of ideas about 'development' have proven to be wrong (Karlström 1991). Resources have therefore not always been used wisely. In order to be able to continue to defend their budgets, aid organizations are now putting 'poverty alleviation' as their main objective, as taxpayers may be prepared to pay if the money really is used to fight poverty. The demand for proven efficiency has increased since the cold war ended. All sectors, including forestry, now have to show that more money to their sector would be the best way to reduce poverty. The question is: is support to forestry a good way of eliminating 'poverty'?

For CIFOR and this project, Mike Arnold (2001) has written a report on 'Forestry, Poverty and Aid'. Some comments related to this report are summarized below.

Industrial forestry has taken rural areas, in Sweden for example, out of poverty. That has not been the case in developing countries. However, in the 1960s this was thought to be a possibility. The theory of the forest industrialisation approach was formulated by Westoby (1962).

- The development theory of those days favoured industrialisation.
- It was said that forest industries was especially beneficial, as

forest products face vigorous demand, have above average growth, earn and save foreign exchange and have strong forward and backward linkages to other industries.

- Their rural location could help bring modern skills, jobs and infrastructure to the rural economy.

The actual effect of the forest industry approach proved more limited:

- They had to use advanced capital-intensive technology. The need to import capital equipment and process inputs, as well as high infrastructure costs, meant that many forest industries became a drain on the foreign exchange balance (Douglas 1983).
- The operations needed skills which were not available in rural areas. Employment, therefore, went to outsiders. Few jobs for unskilled workers were created.
- In summary, forest industry development has not been a major vehicle for the alleviation of rural poverty (Westoby 1978).

'The principal avenue through which the rural poor have been able to participate in commercial/industrial growth based on forest resources has proved to be through the small-scale activities of the informal sector, which have owed their growth more to rural than urban/industrial development initiatives. As rural development evolved to encompass first 'food security' and then 'livelihood security', forestry broadened its focus accordingly to address a wider range of linkages with rural livelihoods.' (Arnold 2001)

The 'social forestry' approach was intended to be of value for local people (Arnold 2001), but there have been problems in really reaching that objective. With regard to the attempts to increase participation by local users in forest management (e.g. JFM), one can see that there has been:

- A failure to transfer effective authority.
- Restrictions on possession rights granted to the poor.
- Ineffective and inequitable local institutions.

In the case of smallholder and communal tree growing there has also been some problems:

- Trees were not seen in the context of farm household needs but as part of 'forests'.
- Species planted were often not the ones preferred by the poor.
- Investments and support did not always take the market into consideration.
- Governments have not removed constraints on access to markets.
- Tree plantations on commons can create problems for the poor.

It is often said that forestry is of great importance for poverty alleviation. Research shows that poor people are very dependent

on forest and tree resources. This is especially the case for subsistence farmers. Forest products supplement and complement inputs of fuel, food, medicinal plants etc. from the farming system. Forests also provide land, fodder and forage. Access to forest and tree resources can help farmers to diversify their livelihood base and reduce their exposure to risk. Forests and trees can form a safety net for the very poor, guarding against difficult times. Forests can also often provide some income for at least part of the year. Though often not accounting for a large share of overall household inputs, inputs from forests can be particularly important for bridging seasonal gaps, meeting particular needs, helping households tide themselves over longer periods of shortage, and maintaining agricultural productivity.

The relative importance of tree and forest products seems to decrease with increasing wealth. Poor households usually depend on the forests for a larger share of their livelihood inputs. Wealthier households may consume more forest produce, but its relative importance is less.

It seems that the potential of most forest products to move people out of poverty is limited. Many low-value labour intensive activities have to be abandoned as labour costs rise. Many forest products are 'inferior goods' and lose market share when incomes rise and they are replaced by 'modern' alternatives. The products that have a real potential to grow in importance require skills and capital inputs which the very poor do not have. Dove (1993) has argued that where the poor have high reliance on forest activities, this is likely to mean that they are facing persistent poverty.

A lot of people work in small-scale forest industries or small-scale forest production, which is not attractive to donor support. There are, for instance, large numbers of poor people in India making their living as headloaders. There is really no future in that activity. It will have to disappear. The best way to support these poor people is to help them to make their living from some other activity.

Mafa Chipeta/CIFOR has summarized Arnold's report as below. I quote this because it adds some valuable points.

- 'Almost no type of forestry intervention is good for poverty alleviation among the very poorest—how this can be improved is the challenge.
- Barring access to rich forests or to profitable mainstream products such as timber reduces the potential of forestry to combat poverty or promote prosperity.
- There is a tendency for forestry aid to focus on development activities and to give inadequate attention to necessary policy and institutional reforms that can lead to self-sustaining growth.
- Aid often succumbs to the temptation of offering people livelihoods that have no future or no markets.

- There has been a tendency to target the poor directly and to ignore the power realities, which makes it difficult to achieve success for the poor who lack such power.
- Many approaches have tended to marginalize the poor inadvertently because they have been too narrowly focused and thus cannot meet the broad and diverse ways in which the very poor relate to forests and trees. [For example—focus on single species, on fuelwood or on wood lots etc].
- Aid has tended to apply trial and error to poor peoples' livelihoods. Unproven common sense is tried out on them even though they have the least margin for error. They have been asked to shift attention to unproven products with untested markets and masses of them have moved into the same product, so undercutting their own prospects of good earnings.'

### **3.3.4 Discussion**

The objectives of, for instance, agriculture, health, water and education seem rather clear to me. But the objectives of forestry seem much more vague. For example, should forests be utilized more or less than they are?

Forestry has supported development and reduced poverty in many developed countries. We do not seem to know how the same can be achieved in developing countries. Many ideas during the last 30-40 years have proven to be wrong or at least have not given the expected results so far. We don't fully understand the role of forestry in development, or the role of forestry in poverty alleviation.

There are still many things we don't understand about deforestation. On the other hand, I think we do understand that traditional forestry projects will have very little influence on deforestation. To reduce deforestation, a location/context specific package of action is needed. Forestry can sometimes be a part of such a package. What is most important is to work with governance and development of the society at large. If these actions succeed, deforestation can be reduced, even if there are hardly any activities within the forestry sector *per se*. It is prosperity, which, in the long term, can truly save the forests. When assistance to forestry began, it was thought that forestry development would sometimes contribute to achieving this prosperity.

Foresters always argue that forestry has great importance for protecting and improving the environment and providing many indirect benefits. Its importance would be much greater than normally shown in traditional GDP figures. This may be true, but there is normally a tendency to try to overstate the importance of forestry (Persson 2001, Nasi *et al.* 2002). The forester's normal environmental arguments contain a number of myths.

Forestry is certainly important. At least 2% of the global GDP comes from forestry (FAO 1995). There is probably some potential to increase the importance of forestry for development. Reports on the subject, however, have a tendency to start with the answer. 'Forestry is very important and its importance is gravely underestimated.' It is believed that it is because of their ignorance that those in power do not invest more in forests. How can one make them understand the real importance of this resource? Foresters feel themselves misunderstood and neglected.

It seems, in summary, that we don't really know how important forests/forestry are, and do not really know how to utilize the potential of forests for poverty alleviation and development. There is evidently a lot of work needed to find the answers to those questions. If we don't know the role of forestry in a country, how can we then improve the assistance to the very same forestry? It seems to me that most important thing is to clarify what the role of forestry in the development process is. UNFF, WCFSD and forestry groups of that type can hardly be expected to provide the necessary clarifications. There is a need for more unbiased and scientific studies. There is also a need to get more views from developing countries. At present, donors dominate the assistance debate.

In spite of problems in specifying clear objectives for forestry and forestry assistance, there are arguments in favour of continued work with forestry. These arguments are developed in 8.1.

# 4

## *Discussion of Successes and Failures*

An anecdote (from Neil Byron) tells that a new Director General of an aid organization asked for a success project. He never got one. I have approached colleagues in IFAG and ETFAG to get hold of good examples of successful forestry projects (and failures if anyone was prepared to admit such things). A number of reviews have been given to me. But nothing has really struck me as outstanding. When trying to show examples of successes, I often end up in other sectors than forestry (e.g. agriculture, health).

### **4.1 How to define successes and failures?**

The literature is full of examples of 'disaster projects' (and some success stories). In practice, however, it is often difficult to tell what is success and what is failure. Success (or failure) as measured by whom? What is the time span over which success (or failure) is measured?

When studying published material, we find that different authors can describe the same development project either as a success or a failure—even when based on the same case studies (Riddel 1987). Sometimes individual projects are judged as successful, while the sector at large stumbles (Karlström 1991). In other cases, individual projects may be classified as disasters, while the wider sector shows progress.

One person's failure may be another's success. Massive efforts to introduce wood stoves in developing countries, for example, have made life much easier for millions of poor people (Crewe and Harrison 1998). However, the campaign may not have reduced deforestation, as donors had hoped (because fuelwood use was not a main cause of deforestation).

Judging a project as a success or a failure from reports and reviews isn't easy, partly because of the donor's and sector's desire to prove that money has not been wasted. Project evaluations are often done by the assistance organizations themselves. Evaluations

and monitoring continue to describe a hopeful picture, even when it is difficult to see real indications of success (Fruhling 2000, Goppers *et al.* 1986). Evaluators are careful in their use of language and may give only part of the picture. Monitoring of projects is generally done only for a short-term period, and the problems cited and analysed may not be representative of the long-term situation; in the short run the outcome of the project may be hampered by, for instance, weather conditions, and what looks like a success in the short run may be of limited value in the long term.

This discussion thus ends up in a discussion about what is success and what is failure. To me, it seems difficult to have a categorical view on this. One can possibly conclude that both 'successes' and 'failures' can give knowledge that may benefit a sector.

See further discussions under 4.6.

## 4.2 Examples of projects

Below I give some examples of projects which I think can teach us something.<sup>12</sup>

### 4.2.1 Some successful examples

#### India - Social Forestry Plantations

The World Bank, SIDA and other donors supported social forestry programmes in a number of states in India in the 1980s. Some components of these projects were, from some points of view, outstanding successes. The expected increase in number of seedlings planted was often greatly surpassed in many projects supporting individual farmers (farm forestry).

As time passed, some problems become evident (e.g. Chambers *et al.* 1991):

- The enormous increase in production of poles in some areas (in farm forestry) sometimes made the market collapse. Therefore, many farmers in such areas gave up forestry after some time.
- In some states, the landowners investing in farm forestry evicted tenants and started to plant trees on agricultural land.
- Farm forestry requires fewer workers than agriculture, so employment went down.
- The trees planted in communal wood lots should, according to the plans, be used as fuelwood for the poor. The trees were sold and the poor did not really benefit from the programmes.
- Community plantations were often established on commons. This meant that the poorest lost their last resource.
- Establishing of communal wood lots often meant that forest authorities gained some control over communal land.

- Some donors had hoped that forest authorities would change attitudes towards the local people. This does not seem to have happened.

The result of what may sometimes look like a success is often mixed. Physical targets, for example for farm forestry, were often reached—or surpassed—but the projects had unexpected outcomes (at least for some).

Donor organizations have closed down support to most of the ‘social forestry’ projects in India. This was done in spite of the fact that the communal plantations in some areas have considerably improved the welfare of women, elderly people and the poor, through increased consumption of biomass and decreased time required for wood collection, and also decreased the pressure on surrounding natural forests (Köhlin 1998). The projects did not achieve the results donor expected. The experiences of social forestry in India were not collected and analysed before the projects were abandoned in favour of JFM (Mike Arnold personal communication).

For decades there has been much talk about deforestation in India. Foresters seem to believe that there is also considerable forest degradation. Recent information from the Forest Survey of India indicates that the area of forest has now become stable (FSI 2000). One should also mention here that there are many scattered trees in the landscape and this resource may actually be increasing.

One may ask what role the different projects have played in stabilizing the area of forests and increasing the number of scattered trees in the landscape. There should hardly be any doubt that the projects, at least for a time, have increased the area of plantations. Was this sustainable or are the plantations now consumed? Knowledge concerning establishing plantations should in any case have increased.

### **Vietnam - Bai Bang**

The Bai Bang pulp and paper mill and forestry project in Vietnam, funded by the Swedish International Development Authority (SIDA), was for decades described as a disaster from most points of view. A recent evaluation, however, presents a more positive picture of what has been achieved (Jerve *et al.* 1999). Years after SIDA left, Vietnam has a functioning pulp and paper mill and many related activities in place. It is difficult to judge whether or (if so) how much the Bai Bang project influenced Vietnamese policies at large (*inter alia*, towards a more market-oriented economy). Maybe it was more a question of ‘happy timing’; whereas SIDA for different reasons could not abandon this huge project, Vietnam embarked upon the path towards economic reform and, in this new context, Bai Bang suddenly benefited and could be used as a pioneering,



domestic example of what future development should look like. Vietnamese authorities have now decided to expand the mill. Perhaps Bai Bang will turn out to be a great success in the long run.

One important aspect of Bai Bang was support to fast growing plantations. In the early 1980s the management of Bai Bang started to fear a future shortage of wood. One of the raw material bamboo species had reached a stage in its life cycle when it died for natural reasons. Plantations on good soils in the forests in the north couldn't compete with agriculture. The only available areas consisted of seriously degraded land in the so-called midlands, close to Bai Bang. The traditional plantations in those areas were very slow growing. In 1984 SIDA decided to support some 150 ha of Eucalyptus and Acacia plantations, using intensive soil cultivation. This worked very well. A showcase tree grew 9 m in 18 months. Delegations from other parts of Vietnam were coming to study the plantations. Plantations of the same type were established in other parts of Vietnam. Trees now cover large areas in the north, which looked like a desert 20 years back. The country has now launched a 'Five Million Hectare Reforestation Programme' (MARD 2001).

It has not been assessed how much the successful trials with intensive Eucalyptus plantations, and other support to plantation work, has really meant for the takeoff of plantations in Vietnam. One should at least be able to say that they were partly responsible for the 'success'. The project led, *inter alia*, to a good tree improvement programme.

### **Kenya - Soil Conservation**

The SIDA support to soil conservation in Kenya is often presented as a success. A lot has certainly been achieved. The request for support to soil conservation came after the Stockholm Environmental Conference in 1972. A soil scientist was sent to Kenya. For two years or so he 'walked around and talked to the local people'. Work began in 1975/76, at an experimental scale, in four districts. The existing administrative structures were used. By 1980 activities had expanded to include 30 districts. It eventually covered most districts in the high productive zone and certainly influenced the land use there (Tiffen *et al.* 1996). Not all this was financed by SIDA, but all assistance used the same approach (e.g. a lot of training and establishment of nurseries). Soil conservation in the high productive zones is much better today than it was 30 years back.

One reason for the 'success' may be that farmers realized the value of soil conservation when they saw that it resulted in higher and more secure yields. There were also a number of prerequisites present. According to one view soil conservation would have started in many areas without the SIDA support (Tiffen *et al.* 1994). The right conditions for success were often at hand. This should not diminish the value of the achievements. It is important to work

where one can succeed and where there is a demand. This will speed things up. One other important explanation for the success was a change of attitudes in society in favour of soil conservation.

Attempts to improve soil conservation have also been attempted in dry areas. The success there has been limited. The local population may have found that the conservation efforts did not pay off there.

#### ***4.2.2 Problematic projects***

It is possible to provide a long list of projects that have produced doubtful results or, after some years, no visible results. Here I will present only two examples which are useful in order to highlight some further issues:

##### **Nicaragua**

When Somoza lost power in 1979, Sweden/SIDA wanted to support the new government. Forestry was a component of the assistance portfolio from the very beginning. That assistance continued up until 1998. SEK 400 million was invested, but the result of this investment seems meagre. Considering that the support was given in an era of war, this should not be very surprising. But why didn't it stop earlier? It seems that the Nicaraguan government's interest in the project disappeared after some years. The country had worse problems than a nonfunctioning forestry sector. The Swedes did not understand this, and continued to give Nicaragua what they thought the country wanted. Nicaragua thought the Swedes wanted to have 'their' forestry project. 'The program continued—due to its own dynamics and support (on both sides) from technical levels.' (Fruhling 2000). The Swedish support was very political. Sweden wanted to be an important and loyal donor to Nicaragua. At political levels, the emphasis on a specific sector was of limited importance—and perhaps not even efficiency was regarded as important. For Nicaragua, it was important to please donors in order to get as much assistance as possible.<sup>13</sup>

##### **Indonesia - fires**

In 1997 Indonesia was hit by severe fires, which covered parts of Southeast Asia with smoke and became world news, but was nothing new. A similar event took place in 1982-83. As a result of that event, EC, GTZ and JICA had established long-term projects for the management and monitoring of fires in Indonesia. When the fires appeared in the news in 1997, Indonesia was for a period flooded by missions and small projects. Rona Dennis (1999) lists new activities of about 10 organizations and 20 countries. Numerous missions and workshops were arranged and many reports were prepared. Many wanted to take the lead and coordinate. It is debatable whether all the activities were of importance for Indonesia. Often, the main aim of the donors was to be able to tell

their constituencies that they were doing something: 'We are trying to solve the problem'. Many activities have now ceased. During next fire period (El Nino) one can expect that many donors will again come and offer assistance.

### 4.3 A Swedish example of 'success'<sup>14</sup>

In the middle of the 19th century Sweden was still a very poor and peripheral country. Compared to the needs of the rapidly growing population, agriculture was still rather old-fashioned and inefficient, and industrial development was in its infancy. Living conditions, especially in the rural areas, were harsh and periodic famine formed part of the regular pattern of life. Land degradation was severe in many parts of the country. During the second part of the century, forestry became increasingly important and entered into a real boom period. As a consequence, deforestation and forest degradation were widespread and increasing.

At the end of the 19th century, Sweden's forest resources were at an all-time low and most forest-related industries had begun to experience rising costs and scarcity of raw material. In southern Sweden, local organizations of concerned citizens gained support and took the initiative to plant forests on degraded areas covered by heath. Now, the time seemed ripe for radical and innovative measures and in 1896 a new Parliamentary Commission was established to analyse the situation and make proposals for a new forest policy. In practical terms, the work of the Commission—which continued for seven full years—resulted in the development of a kind of national forestry plan, with all the principal actors taking part in the process.

The final results were entirely new forestry legislation, adopted by Parliament in 1903, and the creation of a new organisation, the County Forestry Boards, for supervision, extension activities and allocation of subsidies in the field of forestry. The County Forestry Boards were also responsible for producing plant material (1 billion plants and 570 kg of seeds were supplied up until 1925). The new Forestry Act demanded that every owner of forest land must guarantee satisfactory regeneration after felling, either by replanting or by natural regeneration.<sup>15</sup>

The general philosophy of this new policy was simple and straightforward; the forests constituted a key asset for Sweden's economic and social development and should thus be managed in a way that did not jeopardize the future availability of this resource. The new Forestry Act established the framework and provided the legal means of dealing with the 'black sheep'; economic incentives and assistance through the County Forestry Boards would promote correct behaviour among all the others.

This approach soon showed itself to be very successful. Forestry became an increasingly important activity among Swedish farmers

and the forest industry continued to grow. Felling was carried out in a planned manner and only once did it exceed growth. Within a few decades, trees had become a valuable crop, to be sown, managed and harvested, but, due to their long growth cycle, with a little more foresight and planning. These—almost revolutionary—changes regarding forestry management were helped by coinciding reforms to improve land tenure security and the modernization of agriculture, resulting in increased efficiency which meant that less land was needed to feed more people.

Through the development of forestry a very considerable number of small farmers gained an opportunity to improve their miserable living conditions and leave poverty behind. Not all were winners, of course, in this period of dramatic change, but on the whole it was undoubtedly a positive development and the role of forestry in the impressive socio-economic development of the Swedish countryside during the first half of the last century can hardly be overestimated.<sup>16</sup>

What, then, are the conclusions to be drawn from the 'successful' Swedish case, and what relevance—if any—do these conclusions have when it comes to international forestry assistance?

Within the Swedish context, I would like to emphasize the following conclusions (Persson 1996):

- Increasing demand for wood (and increasing fear of wood scarcity), mainly from the forest industries, meant that forests gained in value.
- Improvements in agriculture led to higher yields and better efficiency per area unit, thereby reducing the need to clear forest land for cultivation.
- Due to tenure conditions and political circumstances, small farmers could also benefit from improvements in agriculture which contributed to the stabilisation of land use patterns.
- Migration and urbanisation led to reduced pressure on cultivable land in the rural areas.
- Well-defined and secure tenure and usufructuary rights to the forest and its products constituted a prerequisite for the development of sustainable (sustained yield) forestry.
- Most social groups and economic actors gradually developed a common interest in protecting the forests and developing a system for sustainable forestry.
- The consensus achieved among the principal actors was thus built on a convergence of self-interest, expressed in a national political will and reinforced by the new forest legislation. This made the new legislation effective. A mere top-down approach would have achieved very little result. That approach had been tried and failed.
- Profits from the forestry sector were re-invested in the country and foreign capital was also attracted to invest—and re-invest.

Most of these conclusions are, in my opinion, also relevant to the discussion regarding international forestry assistance to developing countries. Under certain conditions, the development of forest industries may thus become an efficient instrument to halt deforestation, whereas improvement of a country's agriculture (understood as higher and more secure yields for small-scale farmers) will often have the same effect, by stabilizing land use patterns and often reducing the demand for new farmland.

Furthermore, well-defined and secure tenure and/or usufructuary rights, to the land and its crops (including trees), are often of crucial importance in the developing world today, in order to enable improvements and more far-sighted land management systems to be introduced to small-scale agriculture as well as to forestry development. Finally, the existence of a genuine and firm domestic will, based on converging interests among the principal actors, is no doubt a precondition for the real success of forestry<sup>17</sup>.

## 4.4 Some other country examples

### 4.4.1 'Successes'?

#### Developed countries

Stories similar to that of Sweden can, with variations, be told from countries like Norway and Finland. Other examples of reduced deforestation can be presented from several countries in Europe (Westoby 1989, Persson 1996, Mather 1990). Japan has also, from time to time, experienced periods of deforestation, but has changed the trend and now has 70% tree cover in spite of a very large population (Anon. 1991). In USA, large parts of the eastern and southern states were deforested in the 19<sup>th</sup> century. Substantial parts of these areas are now under new forests (natural regeneration or plantations) (MacCleery 1992).

These scattered examples show that negative trends can be changed (see also 3.3.2).

#### Developing countries

In spite of all assistance to forestry and all the talk, there are few examples of developing countries which have changed the trends of diminishing forests. The good examples concern principally countries that have established plantations. This can, in theory, lead to reduced deforestation and also to the increased importance of forestry. Peninsular Malaysia is one example where use of the natural forests may have contributed to economic development. Costa Rica may also have control of its forest resources (Anon. 2002c). Below I give scattered comments on some countries.

### South Korea

When the Korean War ended in 1953, South Korea was a devastated country. Only 50% of the forest land (3.3 million ha) had trees, and the growing stock was, on average, 8.6 m<sup>3</sup> per ha. Since 1955 a forest restoration project has been in progress. The forest area in 1995 was 6.5 million ha and the growing stock was 48 m<sup>3</sup>/ha (Anon. 1996). A project for establishing fuelwood plantations was started in 1959. The fuelwood plantations (about 1 million ha) were developed with strong community involvement. There was also a commercial reforestation project which received strong government support (subsidies). In addition, the government was implementing a programme for erosion control and a shifting cultivation resettlement project. In the 1970s 331 000 households living from shifting cultivation were resettled.

The reasons for the success were strong economic development, cheap labour (initially), strong urbanization, political leadership and a rather unique social system. One can of course discuss how strong the 'participation' was in the programme. It probably was, to a large extent, based on top-down directives. One can also note that the original objectives (e.g. fuelwood production) have now lost their importance. The planned 'end-use' has changed.

### Chile

Large-scale plantations started in Chile in the 1940s (Mery 1996). The forestry sector has developed fast, especially since the 1970s. The table below gives some figures on the development (FAO and Mery 1996):

	Sawn wood prod.	Pulp prod.	Export	Plantations
1970	1.1 million m <sup>3</sup>	0.36 million mt.	US\$40 million	0.44 mill ha
1999	4.6 million m <sup>3</sup>	2.4 million mt.	US\$1500 million	2 mill ha

In the 1970s, the Government of Chile decided to develop the forestry sector. The figures indicate that this has been successful. Forestry is now an important sector. There are, however, many authors that criticize what has been achieved (Carrere and Lohmann 1996, Marchak 1995). Trade unions have certainly voiced many objections to what happened in the 1970s and 1980s. The future will have to judge what was good and what was not.

### China

Forestry in China has long been presented as a success (Westoby 1989, Yaoqi Zhang *et al.* 1999). In 1949, the area of forest is, in reports, given as between 5 and 15% (probably 12-15%) of the land area. The forests then suffered from a period of bad management,

up to at least the Cultural Revolution in the 1960s. Since then the forest area has been steadily increasing. The present area is given as 163 million ha or 17.5% of the land area (FAO 2001a)<sup>17</sup>. The planted area is stated to be 40 million ha. Some information indicates that the natural forests may still be shrinking (planned or spontaneous) while the area under plantations is increasing. FAO (2001a) does not support the view that natural forests are decreasing.

The data on Chinese forestry are not always easy to interpret<sup>18</sup>. But it seems rather clear that there is no longer a reduction in total forest area in China. The area of plantations is increasing. The production of industrial wood seems to have stabilized at about 200 million m<sup>3</sup>/year. It is not clear whether this level is sustainable. In the 1970s FAO reported the production to be some 40 million m<sup>3</sup>. There has been a fast increase in the production of all forestry products.

### Vietnam

There has long been talk about deforestation in Vietnam. In 1943 the forest area was given as 14.2 million ha. The present area is estimated as 9.8 million ha (FAO 2001a). The deforestation does, however, seem to have ceased.<sup>20</sup> The table below gives some recent figures (from Warfinge and Minh 2002):

	1990	1995	1999
	'000 ha	'000 ha	'000 ha
Natural Forests	8400	8300	9400
Planted Forests	750	1050	1500
Total	9150	9350	10 900

This table also indicates that the reduction of the area of natural forests has ceased. According to FAO, however, there is still some reduction in the area of natural forests (FAO 2001a). The present plantation area is, in FAO (2001a), given as 1.7 million ha, and is said to be fast increasing. The growing stock seems to continue to be reduced, indicating that old forests are being cut or degraded (Minh and Warfinge 2002). The authorities are trying to reduce the utilization of natural forests.<sup>21</sup>

### Peninsular Malaysia<sup>22</sup>

Peninsular Malaysia has certainly drastically reduced its forest area. The table below indicates the trends (Vincent and Yusuf Hadi 1993, Anon 2002a).

	1966 '000 ha	1988 '000 ha	2000 '000 ha
Urban	134	(251)	..
Perennial crop	2092	3485	3490 <sup>23</sup>
Other agriculture	644	675	519
Forest	9036	(8460)	5940
Other	1310	(432)	..
Total area	13315	..	13150

(figures within brackets are for 1981)

The reduction in forest area is reported to have slowed down. The areas cleared of natural forests have been transformed into plantations of rubber and oil palm. The environmental problems caused by this change in land use seem to have been minor. The plantations are often managed by smallholders. The income from the forests does not seem to have been wasted. Malaysia has moved from a developed country to a wealthy one. Forestry has played a role in this (Vincent and Yusuf 1993). The production from the natural forests has, however, been reduced considerably compared to what it was in the 1970s. Peninsular Malaysia is now a net importer of wood (Mohd and Yaman 2001).

#### 4.4.2 Problem areas?

##### The Philippines

In the 1960s the Philippines had about 13 million ha of forests. The present area is given as approximately 5 million ha, but of this, less than 1 million ha is old growth Dipterocarp forest. In 1970, the Philippines exported 10 million m<sup>3</sup> of wood and forest products to a value of US\$295 million. In 1999 the export of forest products was nil and net imports amounted to US\$560 million (FAO). In summary, one could possibly say that the Philippines has used up its forest resources.

There have been many programmes for plantation establishment. The present plantation area is, at the most, 750 000 ha (FAO 2001a). The Philippines has also had numerous forestry projects. The results are not so easy to see. Exploitation of forest resources has not resulted in much development. It is perhaps not very wrong to say that the forest resources, to some extent, have been wasted. In the days of President Marcos, the Philippines was known for severe corruption in the forestry sector. The authorities have blamed the destruction on shifting cultivators. There has been much talk about rehabilitating the forestry sector. Good attempts with community forestry are reported from the years after the Marcos era, but problems arose anew during the Estrada regime.



### Thailand

Forty years back, Thailand had a forest area of 27 million ha. In 1996 it was probably some 11 million ha. From being an export country in 1960 Thailand now has to import wood and wood products. In 1999 Thailand had net imports of about US\$250 million. The forests have provided agricultural land. What else have they given? The causes of the fast deforestation seem to be complex. Shifting cultivation is often given the blame. Thailand (Bangkok) has certainly developed fast in the last 30 years, probably to a very limited extent due to forestry (FAO sources).

### Ivory Coast

Large-scale forestry activities started in the 1960s. Since then deforestation has proceeded fast. The forest area has decreased from 9.8 million ha in 1956 to 3.2 million ha in 2000 (not fully comparable). The reason was that agricultural clearing followed selective felling (Lanly 1969). The export was large in the period 1970-1990 but has since gone down drastically (to about a third of the maximum volume). Some figures (FAO):

	1970	1980	1990	1999
Prod. Ind. Roundwood (mill m <sup>3</sup> )	3.9	5.4	3.6	3.1
Forest Prod Export (mill US\$)	105	586	414	225

The country is not much better off now than it was 30 years back. Has the forest potential been used wisely?

### General comment

Above are just three short examples of countries which have reduced their forest areas, without much apparent gain. The literature (e.g. Marchak 1995, Hurst 1990, WB/OED 2000a, IIED 1998/2001) contains many descriptions of mismanagement of forests in forest-rich countries. It seems to be more or less a rule. One can ask what role forestry assistance has played in forest-rich countries. What role can it play in the future? Countries less rich in forest resources seem to have a greater interest in improving their forest situation (WB/OED 2000b).

## 4.5 Classification of countries

Countries are different with regard to resources, economic development, education level, etc.; and what can be achieved, with or without aid, differs from country to country and over time. It is tempting to try to develop a system for classifying countries or projects with regard to urgency of action, need for assistance and capability of the administration to receive and make efficient

use of assistance. It may be difficult to develop one classification system. It may be better to test countries or projects against several criteria in a stepwise screening process.

The need for action could be judged from the condition of the forests and the pace of change of that condition—deforestation, forest degradation, rehabilitation efforts, etc.—information that can be obtained from forest inventories and/or satellite survey data.

The capacity of the country and the administration to receive and make use of assistance could possibly be judged with the help of the Human Development Index (HDI)<sup>23</sup> and the strength and technical capacity of the forest administration.

In addition to technical information exemplified above, it will be necessary to determine where in the administration decisions relevant to the project are made, and if these decisions are applicable throughout the area of the project. It would also be of importance to know if there exists a real commitment to the project, and if there are officials with the required political power who are prepared to take on the project and see it through.

This kind of classification and discussion, though maybe somewhat simplistic, is introduced here because, over the years, it has often been overlooked. It should prompt us to ask: *Are the forestry objectives which are set today (by donors) realistic?* Can we really talk meaningfully about, for example, detailed criteria and indicators (C&I) for sustainable forest management, conservation of biodiversity, reduced-impact logging, community management, local planning and other central issues in forestry today, in the context of all countries in the low HDI category? Isn't a certain sequence of activities needed to get to that point? For instance, progressing from a situation of outright exploitation (mining) of the forests to a system of planned forestry, in order to be able to finally achieve 'sustainable forest management'! In 'difficult countries'<sup>24</sup> one should probably primarily support things like peace, human rights, democracy, basic institutions, macroeconomic stabilization, equity and 'growth'.

#### 4.6 General discussion

It is easy to find many examples of projects that have yielded limited or no visible results. Some may argue that many projects from the 1970s and the 1980s which aimed at increased production, caused damage. It is of course also possible to find examples of projects which seem to have given good results. Some examples of such projects, which are often brought forward (in addition to the examples I describe previously in some details) are listed below.

- Norwegian support to the Faculty of Forestry at Sokoine University, Tanzania (Christensen *et al.* 1998).

- Norwegian support to Biomass Inventory Project in Uganda (Kamugisha 2000).
- Swiss support to agroforestry in Rwanda (as long as it worked) (Wiederkehr 1999).
- Swiss support to community forestry in Nepal (Wiederkehr 1999).
- USAID support to Guessebodi Fuelwood Project, Niger (Heermans 1987).
- USAID support to Palcazu in Peru (as long as it functioned) (Gradwohl and Greenberg 1988).
- Danish Support to seed centres (e.g. in Thailand).
- Support to many schools.

Harrison (1987) has in a book described successful examples of 'green projects'. Many of the successes are small NGO projects. Few have become more than successful examples. Harrison's report contains an interesting list with lessons from analyses of successes.

A problem with many projects is often how to achieve sustainability and long-term effects. Forest inventories often seem successful in the short term, but after some years no one knows how much forest there is and nothing is done to continuously improve and update the information. Schools may often look successful. But their value depends on whether good use is being made of the students that have been trained. The success of projects can rarely be seen in isolation. The result depends also on what happens in other parts of the sector (and outside the sector). This fact is of course one reason why donors now try to work more with sector programmes.

Occasionally it may be enough with a successful local project. Support to plantations, community forestry or agroforestry leads to sustainable improvements in part of the country. But it is of course better, if it influences the whole country. Many NGO projects have not managed to spread beyond their local areas.

Many projects/programmes (policy changes) aim at influencing what happens in the whole country. When Vietnam, in the early 1990s, turned agricultural policy in a market oriented direction, the country changed from being a net importer to a net exporter of rice in just a few years (Fforde and de Vylder 1996). Support to the 'green revolution' also gave very rapid, clear physical results (Eicher and Staatz 1998). It was, however, also considered to have had a number of negative social and environmental effects. (For instance, it favoured those who already had resources, required increased use of fertilizers and reduced genetic variation.) The same was to some extent true for the social forestry projects in India. They were often a success in the sense that they spread geographically by themselves. The process was, however, not always sustainable, because the market was not always available, and they sometimes had negative social effects.

It may be that it is more difficult to judge whether a forestry project is a success or not than it is to judge projects in many other sectors, one reason being that forestry has many objectives and is long term. When discussing the country cases above, I mentioned reduced deforestation, increased area of plantations, more use of forests and reduced poverty as possible signs of success. I could have mentioned other indicators as well. There are also many stakeholders that are influenced by forestry projects. Unexpected, additional effects may turn up after 10 years or so. Forestry is more long-term than other sector activities. C&I processes spend a lot of time trying to define SFM.

We can have a long discussion concerning which forestry projects possibly could be considered to be of value. Most projects have had very little influence on what happened in the countries. The positive country cases one can mention concern primarily plantations, which not everyone considers good (Carrere and Lohmann 1996). There are certainly more examples that can be mentioned (Fiji, Indonesia, Pakistan, Kenya, Swaziland, South Africa, Congo, Uruguay, Brazil, Nepal). In very few countries can one find examples of stabilized land use (reduced deforestation). The best examples are in countries with very strong (and perhaps unique) social control. In a number of countries, forestry has been an important economic sector, but, in most cases, the utilization has been a form of mining, and no base has been laid for sustainable forestry or development. The resources have often been wasted. But one can at least say that, in many countries, the bureaucratic foundation for organized forestry is beginning to be put in place. Governments can do something, if they want to. In few countries forestry has been important for poverty reduction.

One can discuss whether individual projects have been successful in, for instance, the fields of education and health. Often they have not. But it seems that a lot of positive things have happened in these sectors during the last 30 years (UNDP 1999). The same can hardly be said about forestry. Forestry in developing countries still seems to be plagued by problems. Can't we find ways to improve forestry? Can't technical assistance be helpful in this?

The country/project examples discussed in 4.1-4.4.2 give some food for thought. The lessons from these and many other examples are summarized in Chapter 5.

# 5

## *Problems with Forestry Assistance*

*'Clearly describing the nature of the beast is of course only a step, although a crucial one. The question of what to do remains. How can the identified obstacles be overcome, ...'* Elliot Berg (1993)

In this chapter I will try to list the problems and experiences that I have identified in forestry assistance. It is based on my own work and on discussion with colleagues. I have also gone through numerous reports (e.g. DANIDA 1995, Shepherd *et al.* 1999, MPI/UNDP 1999, UNSO 1999, Neil and Crapper 1997, WB/OED 2000a and b, DFID 1998, Ford Foundation 1998, Dove 1995, Kaaraka and Holmberg 1999, Hisham *et al.* 1991, Wardell and Hansen 1998)<sup>26</sup> that contain evaluations of forestry, environment or other sectors of relevance. These reports clearly confirm what I have found during practical work and discussion with colleagues.

### **5.1 Problems on the 'Receiving Side'<sup>27</sup>**

Some of the main problems are listed below:

- In many developing countries, forestry is viewed as a marginal sector and political interest in this sector is limited. Governments in developing countries are normally preoccupied with more pressing problems.
- 'Corruption, collusion and nepotism' (a term coined in Indonesia) are often serious problems in forestry. They make it very difficult to achieve 'organized forestry'. There are always strong forces working for the liquidation of the forest capital as quickly as possible. Often, only a small share of the royalty due is collected annually and the balance finds its way into powerful people's pockets.
- In most countries (even forest-rich ones) the forestry department is short of resources, because funds created by forestry remain in the national treasury or never reach the treasury because of corruption.

- There is often a lack of clear national objectives for forestry, and forest authorities frequently have conflicting roles. They are often set to control themselves. The policies are frequently conflicting and the strategies not clear. The result is often *ad hoc* projects.
- Many forestry authorities are very conservative, spurred by tradition to act in ways that essentially are aimed at protecting forests from people.
- Lack of 'commitment' (e.g. for change of problematic rules). Many governments have objectives other than SFM. If changes are carried through, those in power may lose out.
- Insufficient human capacity, and a lack of commitment to capacity building—frequent changes and high rotation of key personnel aggravate this problem. In many countries the capacity that has been built up is misused. In many Latin American countries, for example, key personnel are replaced after each election. In many countries key personnel cannot stay in the same position for, say, more than 5 years. This means that it is difficult to develop special competence and continuity. 'Brain drain' is also a problem.
- Administrative weaknesses and complicated bureaucratic systems are rampant. Understaffed organisations often try to do too much. The results can be that nothing is done and that nothing happens. Extra pay can smoothen the decision process. This means that many stand to lose economically if a more efficient organisation is put in place.
- Undemocratic governments, top-down decision making, lack of local participation and lack of transparency seem to present more problems in forestry than in other sectors, as a large part of the population is involved in, and affected by, activities related to forestry. It is difficult to do something against the will of a large share of the population. Lack of transparency facilitates the misuse of resources by authorities. Some kind of democratic system may, as a rule, be a prerequisite for SFM, but alone it is not enough.
- Very low salaries of government personnel, implying that civil servants can not live on their salary alone. This explains, to a great extent, the development of corruption.

The problems within the forestry sector as such (e.g. deforestation) have been described in numerous reports (e.g. WCFSD 1999, Sharma 1992, IFF/IPF reports, FAO 2001b, WB 2001, Persson 1995). Included above are just some of the main aspects related to assistance. If there were no problems, assistance wouldn't be needed. If assistance worked, the problems would be solved.

## Box 2. African comments

Kamugisha (2000) sees corruption as the main problem for assistance to forestry. When the system is corrupt government officials will

- *be committed to projects* only to the extent that they get access to project resources for their personal use;
- *not want to build human capacity* lest there is competition and unwelcome influence;
- *change staff frequently* in order to get into position those who can agree to theft of the project resources;
- *misuse human resources* by sidelining those who are honest and capable or giving them tasks for which they have no requisite training and/or experience or proven capability;
- not care about *conflicting policies* because this serves their interests in the sense that they create policies not necessarily to enhance sectoral performance but rather to compete for government attention and donor funds;
- *agree to any proposal for aid* since this may enhance chances of access to resources that can be put to personal use; and
- want to use *top-down* mechanisms and usually will not subscribe to participatory approaches in order to avoid checks and balances since these may entail sharing responsibility and giving up part of their authority.

## 5.2 Problems on the 'Donor Side'

Below I produce a listing of problems on the donor side:

- Donors face increasing pressure from their own constituencies ('achieving concrete results', 'increasing efficiency' and adjusting to important political needs as well as the latest development assistance fashion), which leads to more conditions, rules and regulations in assistance programmes (less flexibility). It also fuels pressure to produce glossy reports touting the 'success' of projects. Donors generally advance their own country plans and strategies with regard to environment, gender, poverty, development and other issues. Real cooperation among donors is rare. Assistance decisions seem to be increasingly political and altruism is often declining in importance. This leads to a fear of failures and a search for secure success. 'Failures are orphans but successes have many fathers' (Kamweti 2000).
- Many donor organisations have internal conflicts over projects (many 'cooks'), which tend to increase the number of (often conflicting) objectives. In general, there are areas of conflict between regional desks, embassies and specialists' desks. In addition, there is often frequent turnover of staff. This makes it difficult to really adhere to a well-defined and long-term

policy. Donors are sometimes under pressure to rapidly spend all of the available funds, which can lead to unwise actions, such as the purchase of inappropriate equipment.

- Constant reorganization is prevalent among donor institutions because of demands for greater efficiency, which often are believed to require changes of rules, personnel and administrative structure. At the same time, the capacity of donor organisations tends to shrink because of budget cuts. In the case of forestry, most organisations are severely understaffed. Donors are undergoing decentralization. This can complicate support to sectors. For example, foreign missions rarely have sector knowledge.
- The situation in respect to the above is very much the same in all donor organisations, which, among other things, implies that cooperation and coordination between donors becomes a profoundly difficult undertaking. The frequent use of consultancy firms makes things worse, as consultants often find it difficult to cooperate with each other.<sup>28</sup> They also mean that lessons they learnt belong to them alone, and they compete using their own business ideas. Donors can also still compete for projects. There is sometimes a tendency to use some form of zoning for allocating specified forest areas to the various donors.
- Development assistance programmes in forestry are very much driven by the prevailing attitudes, priorities and operating cultures of donor institutions. Some donors, for example, are opposed to plantations and commercial forestry, whereas the agendas of others may be driven by issues of biodiversity, privatisation, gender issues or community involvement. This selectivity leads to inadequate attention to other important issues. Sometimes global concerns (represented by donors) in forestry are in conflict with rural and national realities in the receiving countries, but are still given great importance in plans and recommendations.
- Donors 'follow the herd' when awarding assistance. The pendulum is going back and forth, often to extremes. There is often too much investment in popular sectors. New ideas are often tested prematurely, before the potential of the previous pet subject has been fully explored. In sectors considered politically 'risky' (e.g. reduced impact logging) there may be no investment at all, even if they are highly relevant and needed.
- Donor organisations frequently make funding decisions without adequate understanding of the issues that are central to a complicated sector such as forestry (the same may actually be true of many decision makers in those same countries). Frequent attempts are still made to apply 'one-factor solutions', for instance plantations for fuelwood. Donors often lack an institutional memory or have a very unreliable one. Forestry is



a complicated matter that requires detailed understanding of local conditions. Developing countries are all vastly different, and community forestry or other programmes that work well in one area may not be effective somewhere else. Donor organizations often lack the capacity to understand these issues. In spite of this, they have a say in what should be done. But they are ultimately accountable to their own constituencies at home, not to the local populations, which happen to live where they are financing (or even implementing) development assistance projects.

- Assistance programmes is often supply-driven and donors are typically not structured to take a long-term view. To increase the efficiency of projects, a special administration is often used, bypassing the local structure.
- Due to the above problems (e.g. fads, political pressure) many projects are drowned in objectives. New objectives (and conditions) are often introduced when projects are underway.
- Development assistance has always been very fond of plans. Even if the centrally planned economies failed, a great belief in plans is still common within the development industry. Many consultants of course make a living from producing plans. All planning means that it takes time to get projects started. Urgent problems cannot be tackled. Some donors are 'famous' for being late.
- Some aid projects send high quality local expertise to outlocated sector components, leaving core sector development agendas unattended.
- Continuity regarding key personnel in assistance projects is frequently low, in spite of the fact that the chances of success of a project are often related to the individual strength and personality of those implementing it. 'Counterpart' arrangements (the traditional UN model) rarely work (Berg 1993).
- Foreign 'experts' are often just 'gap fillers', not contributing to the enhancement of domestic capacity.<sup>29</sup> The recipient country often accepts experts in order to obtain more tempting components of the project—such as high-tech equipment and fellowships.
- A lingering 'project mentality', in contrast to sector plans, contributes to a short-term outlook and discontinuity. The 'project fixation' is still a severe problem.

Many of the problems described and discussed here are usually related to large projects, involving a lot of money. Donor programmes are often structured and administered in a way that favours large-scale projects. They are considered more 'efficient' (more money used per bureaucrat hour). Small projects with limited funds tend to have fewer or different problems (projects should ideally start small and grow if successful.)

The above lists can be very long. Everyone I have talked to added new points. In summary, there are evidently a number of problems.

### 5.3 Some possible negative consequences of forestry assistance

If we summarize the effects of development assistance to forestry, we clearly notice that it is not self-evident that 'assistance' by definition is beneficial. We might argue that if the plan and the implementation of a project are wrong, perhaps it would be better not to have it at all (the funds might be used for something 'better'). To summarize and repeat the main points:

- Forestry 'assistance' can often delay changes and defend the status quo.
- For various reasons, developing countries may find it difficult to say no to assistance offered, which may result in development projects becoming *ad hoc* efforts, making it difficult to develop a genuine national strategy.
- Assistance projects often monopolize the most capable people in developing countries.
- Forests are at present often viewed as a global asset. Because of this, many developing countries expect the global community to pay the cost of conserving the forests. Many countries have, therefore, few incentives to assume the necessary responsibilities themselves. (In principle, forestry must in the long run be self-sustaining). Governments may simply reduce their own funding for forestry because there is a big donor interest in the sector.
- A lot of money is generated by 'forestry' in many forest-rich countries, fuelling a situation of 'corruption, collusion and nepotism.' An influx of assistance money can actually increase this problem. It is almost impossible to buy sustainable forestry management with more money.
- Similarly, an influx of assistance can also influence NGOs that may find themselves swamped with money.<sup>30</sup> They may change from NGOs with an independent agenda, to 'consultants' for international NGOs or donors.
- Assistance, especially tied assistance, can lead to the purchase of equipment that cannot be afforded by the country in the long run.
- Donors may, in order to achieve success for their own projects, introduce practices which are not in themselves sustainable (e.g. cash for conservation).
- Donors have a tendency to follow the latest fad, and developing countries are often ill equipped to deal with frequent changes of focus.

- Assistance projects often bypass, and thereby undermine, official administrative channels (by establishing a special administration).
- National forest organizations can sometimes be forced to grow too much to satisfy donors (and, as a consequence, other units have to be reduced). For instance, over a period there has been a push for stronger environmental protection agencies. Many countries cannot sustain this.

#### 5.4 Some African comments

I have received extensive comments on an earlier version of this paper from Victor Agyeman, Ghana, Peter Gondo, Zimbabwe, JR Kamugisha, Uganda and D.M. Kamweti, Kenya.

The comments are very valuable, because I, of course, view the world very much from a donor perspective. I asked for these comments to see if and where I was completely wrong. The comments are worth publishing but are too extensive (in all 80 pages). Some of the comments I have brought into the text. I have deliberately preserved the anonymity of authors or their countries in some instances.

My interpretation is that the comments are in agreement with my presentation ('The level of overlap between country X's experience and 'the need for action' painted by Persson's paper is phenomenal'). Often they support what I say with examples. They also give examples of exceptions to what I say. My generalized statements do not, of course, cover all situations. There are also some disagreements, which I have often commented upon. This does not concern my criticism of assistance so much as the views on forestry in general and the role of assistance.

Here I include just a few themes that are common in almost all comments:

- There is often an irritation with too many expatriates and their high salaries. 'It is very rare to hear that expatriates are responsible for failures'.
- Corruption is common because of low wages.
- 'Some assistance has not addressed the felt need of the country'. 'Local staff in some cases does not see the benefit of certain assistance programmes'. 'Force their own projects on the recipient countries.' 'Projects being supported are priorities of donors.'
- 'Donor coordination is very weak—each donor would like to shine over others'.
- There exists no culture of learning. 'Donor agencies have developed a culture of explaining away problems, perpetuating wrong perceptions and approaches regardless of lessons learnt'.

- 'Experience in Africa over the last 20 years has shown that detailed long-term plans in forestry, as a basis for development assistance, have a small chance of succeeding due to the rapid changes in the macroeconomic environment in the region.'
- 'The irony of the situation is that most donor countries are insisting on a collaborative approach to forest management whereas they themselves do not collaborate with local staff'.
- 'Although the concern for humans has featured prominently in most of the programme objectives, emphasis has been placed more on forests' sustainability than on human welfare.... Thus the main intent of the programmes has been on the forest with little concern for the people.'
- 'Most donor projects deal with the application of procedures and modules that have already been developed and tested in other countries. There is, therefore, little room for receiving countries to modify the approach.'
- 'It is now almost engraved ...that projects are simply a source of money and prestige. People now take it for granted that without aid, no work can be done.'
- 'Donors are not willing to be controlled as they set their own development agenda'.
- When donors show interest in a sector, governments often reduce their own funding.

It should be said that colleagues in developing countries, as is evident from the above, have many critical views on the present form of assistance. But it should also be clear that they are eager to have continued assistance. It should just come in a better form. It should also be said that many colleagues in developing countries often see the world very much as foresters do. They may sometimes show the same weaknesses as traditional foresters from developed countries and put trees (or forest reserves) in the centre.

In Appendix 1 some additional points from the four reports are quoted.

## **5.5 Why the problems?**

One must of course ask why there are still so many problems in aid organizations? The problem lists give most of the problems. Really, we shouldn't initially discuss why there are problems in developing countries, but rather, the explanations.

One underlying cause of the problems in forestry may be that developing country governments (particularly finance ministries) are not very interested in support to forestry. Their interest in economic development and poverty reduction is far more pronounced. Donors, on the other hand, are committed to sustainable forestry and push for projects. The donors are often

under political pressure to 'save the world's forests' as quickly as possible. There is often a belief that one can find 'quick fixes'. There isn't any time for patient work. Donors often forget that development takes time. Forests and the environment are placed at the centre. The wellbeing of humans is considered secondary. It is only natural that this kind of project experiences problems. Also, forestry is often seen as isolated from a wider land utilization perspective. So, we have quite a number of donor-driven projects with all the problems this implies.

There is a tendency for governments in developed countries to feel that reducing deforestation in tropical countries is more or less their responsibility. There may be things that can be done directly by developed countries, in trade for instance, to improve the prospects for development (and hopefully also reduce deforestation) in tropical countries. However, in the case of forests, the main responsibilities rest with the tropical countries themselves. At present it seems very difficult to really succeed in reducing deforestation and achieve SFM through more conditions, more money, etc. Donors should, rather, reduce their ambitions to achieve quick changes and improvements and accept that the developing countries themselves take the lead role.

The objectives of the projects are often unclear. Or, due to political pressure, there are often too many objectives—a forestry project shall do all kinds of good. One can say that many projects are very unrealistic and try to do the impossible. This is rarely because project officers are not knowledgeable. It is because those in power (donors) wants to do too much too quickly (and this approach may further on prove to be completely wrong in the given circumstances).

The actual behaviour, of donor organisations and of the authorities in recipient countries, is determined by profoundly different conditions, and frequently has very different agendas—especially if the real (hidden) agendas are taken into account (e.g. of persons involved). Making these conditions and hidden agendas visible would be an important step towards real dialogue and cooperation.

With less political pressure for quick action to save the world's forests, there would be fewer forestry programmes and fewer problems. The problems forestry projects experience are quite predictable. They are what one can expect given the political realities.

### Box 3. World Bank and NGOs

Much of what is written here concerns bilateral organisations. It has been pointed out that the situation in multilateral organisations is different. It is a fact, however, that more or less the same amount of (or maybe more) criticism has been directed towards the World Bank as towards bilateral organisations (see e.g. NGO websites and Anon 2001). Some examples:

- The World Bank has to spend large amounts of money on each project. A process approach and incremental growth are difficult to use.
- The Board of the World Bank seems to be as sensitive to buzzwords as bilateral donors. The Board is composed of representatives of countries or country groups with a number of different hobby horses. Many countries want to be able to say that they have influenced the Bank to go in the correct direction. Attempts are sometimes made to force the Bank to have something of an NGO agenda, but as the Bank is a bank, this may be very complicated.
- The USA has a very strong role on the Board. This has been much criticized. Senators from the USA can influence the Bank in different ways.
- Washington-based NGOs can influence the Bank as much as many European governments.
- If one looks back, the Bank has often been completely wrong (fuelwood, desertification). As the Bank hands out a lot of money, the damage may be greater than if bilateral donors get it wrong. In spite of this, the Bank normally behaves as if it sits on the final truth—the Bank truth of the day is the truth (this doesn't mean that there is no intense debate inside the Bank). The Bank also influences bilateral donors.
- The Bank is not one Bank but several. It is very difficult to get the task managers of the Bank, for example, to really use new thinking.
- A lot of knowledge is created within the Bank. This does not always influence the work of the Bank (the Country Desks).
- The World Bank normally wants to be in the lead, and will hardly ever accept coordination by someone else. 'Arrogance' is a word often used in descriptions of the Bank.

This list can be made longer. Criticism of the Bank is met by the argument that it is still influenced by the 'old Bank'. Under the new president everything has changed for the better.

This has been said many times, but one needs to see some proof coming out from the many Bank projects to be convinced.

Further discussions of international organisations can be found in Brechin (1997).

NGOs have lately been popular among donors (Riddell *et al.* 1995, Anon 2000a). Sometimes they can do a better job than large organisations. This is especially the case concerning truly domestic organisations in developing countries (but they can be destroyed by overfunding). Large international NGOs can have many problems similar to those of bilateral organizations and they can face some additional problems:

- They often recruit the best local personnel in the countries.
- Organizations that collect money (e.g. for tree planting) have great difficulties admitting that they have made some mistakes (and learnt something).
- They are often strongly influenced by Western ideas.
- They are often interested in just one issue (environment, tree planting, indigenous people). The rest of us have been forced to learn that the reality is complex.

Criticism of bilateral organisations shouldn't simply lead to the conclusion that one should work with banks, international organisations or NGOs instead. All organisations have their specific set of problems (and some in common).

# 6

## *Some General Points Concerning Development Assistance*

### **6.1 Discussion about lessons learnt**

One message conveyed by this report is that assistance to forestry experiences many problems. Forestry is, however, not the only sector that experiences problems with development assistance initiatives. One can point to a number of assistance projects that clearly have failed. Assistance to certain countries seems to have been a complete waste of money (Carlsson *et al.* 1997), and there are even cases in which assistance probably has produced negative results (see 5.3) However, there are also encouraging examples of assistance having a positive impact, such as in Botswana, South Korea, Taiwan, Malaysia and Thailand.<sup>31</sup> Much is written about how to improve the situation.

Most reports on assistance take a positive view (there is often a vested interest). There are, however, independent, serious scientists, who give a rather negative or pessimistic picture. Karlström (1991), for instance, brings up a number of difficulties<sup>32</sup>:

- The slow progress in developing countries is often caused by the governments of these countries (e.g. lack of democracy and openness, wrong economic policies [for instance, in earlier decades, influences from old USSR ideology]).<sup>33</sup>
- Official development assistance as a method is inefficient. It has created more problems than it has solved (it may, for instance, help to perpetuate authoritarian governments). It has been based on a number of doubtful assumptions regarding the role of the state, the role for planning, etc. School after school of assistance has been proven wrong. Argument after argument has been proven invalid.
- There is a conflict between what one wants to do and what it is possible to do. The costs are higher than the gains.
- There is a strong belief in interventions and central planning. Attempts are made to correct, in a top-down manner, things that are wrong.



- Aid has caused problems for recipient countries:
  - + 'Aid bombardment'- too many small projects, missions, etc.
  - + The need for central coordination of aid. There is a need to deploy considerable local capacity for planning and administration. Developed nations would hardly succeed with this themselves.
  - + Institutional destruction is common. Donors take over part of an administration (e.g. purchase of goods).
  - + It has forced countries to develop a larger administration than they can sustain.
  - + It has created a dependence on aid.<sup>34</sup>
- In both donor and recipient countries there are many actors that gain from the present system and don't want change.
- It is difficult to see if aid really has led to growth.
- What to do?
  - + 'Trade not aid!'
  - + Development of human capital is important (health, education, infrastructure and possibly 'environment').
  - + Disaster relief.
  - + Strengthening of basic administration (takes a long time and there must be a strong national will).
  - + The administration of remaining aid must be simplified.

Not all serious studies present a pessimistic view. Other authors give a somewhat more hopeful view. The World Bank published, in 1998, an evaluative study titled '*Assessing Aid*' (WB1998). In summary, it concludes that:

- There is no or little relation between assistance and growth, often because assistance has been given on political grounds.
- Assistance can have a positive effect when the policy climate is good. Then, assistance (and growth) can also help reduce poverty.<sup>35</sup>
- Directing funds to specific areas can raise problems. If particular areas are popular with donors, host countries may reduce their own funding for those areas (fungibility).
- This in turn means that in countries with good policies, one might just as well give budgetary support.
- Projects should focus on transmitting knowledge and improving capacity.<sup>35</sup>
- Conditionalities (conditions for support) don't work. Conditions (e.g. concerning policies) are often used by development banks (e.g. for structural adjustment loans). Conditions work, if countries believe they are good for them. Otherwise countries can avoid fulfilling promises, or change them when the project is over. Donors are reluctant to stop projects because conditions have not been fulfilled. It is also difficult to measure fulfilment. This means simply that policy changes cannot be bought.<sup>37, 38</sup>

In countries with 'bad' policies ('difficult countries'), the report recommends the following approaches for the administration of assistance:

- Finding a 'champion' (agent of change).
- Having a long-term vision of systemic change (envisioning what conditions should be in 10-20 years).
- Supporting knowledge creation (for example through research and financing of innovations).
- Engaging civil society.

Thus, one overriding conclusion from this World Bank report is the paradox that development assistance is least efficient where it is most needed, whereas it is functioning best where it is needed the least.

One could also say that this report contains only conventional wisdom. By choosing a different definition of 'good policy' the result could be different. The relation between growth and poverty reduction can certainly also be discussed (Vandemoortele and Delamonica 2000). The most important outcome may be that 'aid' to most countries should be reduced until certain basics are in place. The conventional wisdom will, however, look different 10 years from now. The dominant paradigm in the 'aid industry' normally lasts for about 10 years.

Another report titled '*Foreign Aid in Africa*' (Carlsson et al. 1997) reached many similar conclusions. In addition, it stated that the success or failure of assistance depends on:

- The macroeconomic environment
- The capacity and willingness of the country to use assistance resources effectively
- A sense of full ownership of the projects or programmes by the recipients.

These two reports describe many problems but are ultimately rather positive. There are many other reports which describe a lot of problems but still end up on a positive note (e.g. Edwards 1999, Tarp 2000).

It can, in summary, be said that it is not easy to judge whether aid in general is of value or not. Riddell (1987) shows, for example, that different analyses of the same evaluation can come to very different results. One can normally already conclude from the introduction if a report will end with a positive picture or not (set of values). One can not really expect that the World Bank report, quoted above, will come to the conclusion that aid (of the World Bank model) is impossible.<sup>39</sup> Conservative think tanks (e.g. the CATO Institute) will of course say that aid is bad. There is hardly any truth that can be accepted by all.

I think we can at least conclude here that it is not self-evident that large amounts of money (aid) is best. Money isn't simply enough.

My own view (set of values) is that developed countries must try to find ways to reduce poverty in developing countries. One must try to solve the problems that exist. The aim of assistance must not be to spend money, but to do good. Analysis may end up with the conclusion that certain types of assistance are hopeless.

Some of the political problems related to assistance were caused by the cold war. Now that is over, the possibility for improvements should have been strengthened. Assistance is no longer there just for buying votes and influence.

Finally it should also be said that demands on and expectations of assistance programmes are often unrealistic. The support given by OECD countries in 1998 amounted to US\$63/capita, equivalent to, at the most, US\$11/capita of the developing countries. (Anon 2000b).

## 6.2 Defence against the criticism

What is said in Chapters 5 and 6.1 contains a lot of criticism of how assistance is given. The description of problems associated with assistance, as presented here, is nothing new. Fifteen years ago much the same was said, for example in the works of Cassen (1994) and Riddell (1987). New reports continue to give almost the same picture (Edwards 1999, Brown *et al.* 1999, Van de Walle and Johnston 1996, Carlsson and Wohlgemuth 2000, Lancaster 1999, Hydén and Mukandala 1999). Those with practical experience of support to forestry accept, by and large, the above presentation of problems. However, when I present these facts for a more mixed audience, they are often regarded as a scandal. Evidently I say something people do not want to hear.

The authorities responsible for assistance (political level) often react to criticism by stating that the situation isn't as bad as described or rather that the problems described have just been solved, and that we now should concentrate on the future. Attempts are certainly also being made to improve the situation.

So-called Consultative Group meetings are arranged by the World Bank, UNDP and regional banks for important countries, in order to improve coordination. These influence basically the macroeconomic level but rarely the sector level. DAC (OECD's Committee for Assistance) tries to work out guidelines, or codes of conduct, for planning and implementing assistance efforts.

Sector programmes are one way to improve coordination and planning within a sector. The examples are not as many as one would be tempted to believe. WB and bilateral donors now have policies for sector programmes (Jones and Lawson 2000).

Donors and receiving countries now normally work out 'country strategies'. In theory, this is a way to avoid *ad hoc* projects and the lack of ownership. The donor and the country officially agree on what to do (Sida 2001). But the result is, in reality, more a donor strategy than a strategy for the developing country. Each developing country

may have to consider many country (donor) strategies. The one which promises most money often, of course, has the final say. So, in spite of these serious attempts, the problems are still there. Changes are needed, but there is a lot of resistance to change.

Donors certainly vary from good to bad, but there is no donor that should not be able to drastically improve its operations.

#### Box 4. Sector Programmes and Partnerships

Much is now said about Sector Programmes and Partnerships. In, for example, education and health, there are some examples of success. There is much talk concerning possible support to sector programmes also in forestry (e.g. IFAG 1999). Much has been said about the partnership in Vietnam, for example (MARD 2001).

The Vietnamese authorities formulated a vision for a 5 Million Hectare Reforestation Programme (5MHRP). The vision was simply to increase the forest area to 43%. They asked for assistance for this programme.

The idea of a partnership was introduced. After a lot of work, it was decided that the partnership should work with a sector programme (FSSP) and not only with the 5MHRP. Plantations are not popular among all donors. An outsider may ask what the partnership really is. It may primarily be that some donors (close to 30) are prepared to give money if they are allowed to influence what is being done to forestry in Vietnam.

The idea of sector programmes is good and a necessary development. Let us assume that some countries and NGOs want to support health or education in Sweden with SEK 5000 million. There are big problems in these sectors so the money could be of value. Some countries and some NGOs would participate in a discussion on how these billions would be used. It would probably work. But there might be problems with ideas like privatisation and school fees.

How would this work in forestry? The Sierra Club, Greenpeace, the Netherlands, Denmark, Finland, Russia, New Zealand, Japan, China and the Vatican might, for example, be involved in discussing Swedish forest policy. Some would like to use the money for establishing forest reserves. A number of forest farmers would, as a consequence, lose their land and certain rural areas would lose employment opportunities. Farmers would perhaps be forced to accept FSC standards (which so far have not been accepted by farmer organisations). The traditional bottom-up approach would be changed and the power would be transferred from the Swedish countryside to boardrooms in e.g. San Francisco and Tokyo.

The realism of the example given can be discussed. But I doubt that in practice it would be possible to have a Partnership for Swedish forests. The conditions are too locally specific. For Vietnam we are convinced it will work.

### 6.3 Ideas about possible changes

The present donor-driven model for aid is full of problems. It is really absurd. Donors come to a country and have views on, and say about, conditions they hardly understand. In order to really overcome these obstacles, rather drastic changes would be required in developing countries and in donor agencies (e.g. Gwin and Nelson 1997, Kanbur *et al.* 1999). In the ideal case, the receiving country should itself develop a general strategy for development, and donors should then allocate money to support the implementation of this strategy. It should be the developing country that decides what to do and where to buy services for planning, implementation, etc. Donors should not be able to interfere in details as at present. This approach would also mean that the developing countries themselves prioritise sectors. (In theory that is what most recent planning aims for, but in practice it is rarely realized.)

Donors could not be expected to provide money if they did not believe in the strategy, if the country suffered from high levels of corruption, etc. Donors would only support countries in which they have confidence. This state of affairs will of course influence the plans developed by the receiving countries.

Applied in such a general way, this may seem unrealistic. Support to a selected sector along these general lines could constitute an alternative. It has actually been used in some cases: regarding transport (Ethiopia), health (Tanzania), education (Ethiopia) and even agriculture (Zambia).<sup>40</sup> However, I can foresee some problems in achieving this in forestry. Different donors and the developing country will probably not be able to agree on the main objective, for instance emphasis on humans or trees. Another problem is that prioritisation of the sectors will then be strongly influenced by the donors' choice.

Hydén has in many reports (1983, 1986) criticised the present form of assistance. To solve some of the problems, he proposes 'Politically Autonomous Development Funds' (Hydén, 1995). These are described as follows: 'it is public but politically independent institutions; it caters for both government and civil society; it is a funding not an operational entity; it aggregates funding from many sources; it brings donors and recipients together in new ways; and it is national in scope of operation'. The idea is undoubtedly interesting. A board consisting of 1/3 government, 1/3 donors and 1/3 civil society should take the decision. One may question whether developing countries have personnel qualified enough to fill the boards of the funds. In many countries the capability of civil society is also weak in this respect.

Donor organisations go for incremental changes while scientists like Hydén often see the need for more drastic changes. The 'new thoughts' will at best develop very slowly. There will hardly be any 'revolution' but rather, continued attempts with incremental improvements.

### Box 5. Conventional advice

Meetings concerning assistance to forestry normally end up in recommendations to recipients and donors. Developing countries are recommended to: formulate a vision, promote national will or commitment towards forestry; improve management, develop institutions and policies; strengthen local participation; improve equity, democracy, human rights transparency and openness, etc.

Donor countries and donor organizations are recommended to: cooperate with each other; simplify administration and reduce unnecessarily detailed rules for the administration; be consistent and persistent; pool resources; strengthen the countries' own capacity to coordinate; accept that problems are not always solved by more money; be realistic about what can be done; have adequate professional human resources to be able to stay up-to-date with what happens.

These things are all parts of the conventional wisdom. It is perhaps all true, but probably not very realistic. We have talked about this for decades. We could of course do things much better if forestry was on its own. But that is not the case. It is part of the planning cycle (see 8.2.1) to consider also other needs, many of which are stronger than those of forestry.

Do we believe that incremental improvements of the type mentioned above are enough? I think one must really ask if traditional forestry projects fit with the present types of assistance. Don't we really need to find completely new ways of working?

## 6.4 Summary of general lessons

The summaries below are based on reports on development assistance, 'best practice', requirements, principles, etc. (e.g. Carlsson *et al.* 1997, Edwards 1999, Uma Lele 1991, Wohlgemuth 1997, World Bank 1998). The sources basically take a positive view. Let us assume that the reports say: 'What is the best we can do?' The following constitutes my personal reading of the current conventional wisdom concerning development assistance:

For developing countries:

- Development depends on a 'package' of factors that varies from country to country.
- Commitment is necessary (and a 'national will'). Countries should say *no* to assistance that does not fit into their current aspirations. There must be a commitment to use their own resources.
- 'Ownership'<sup>41</sup> is necessary.
- Policy/macroeconomic setting must be 'reasonably good'.

- A basic system of laws and regulations and their enforcement is necessary.
- A certain level of domestic capacity is needed to manage assistance.
- There must be a desire to learn (and a preparedness to change). Administrative reforms and institutional changes are often needed.
- 'Participation' is important (avoid top-down). Subsidiarity is also important.
- Equity, democracy and human rights are important prerequisites for making programs successful (long-term success).
- Emphasis on poverty reduction (and rural development) is important.
- Assistance is just one of many instruments for development. It isn't sufficient, or important, for development (success) and often not even necessary.

For donor organizations:

- Concentrate on *development assistance*. Avoid pushing the organization's own political agendas, or the use of assistance, to satisfy the demands of particular domestic interest groups.
- More money doesn't always help a sector (fungibility).
- Coordination of action in different areas (e.g. assistance and trade) is needed.
- Maintain a coherent poverty focus.
- Long-term commitment is often necessary. Be persistent and avoid jumping on fads.
- Restricted, or tied, assistance is still common. It may work favourably for donors but complicates the usefulness for the recipients.
- Coordination of donor-efforts must be improved. The real domestic capacity of recipient countries and organizations must be considered.
- Conditionality does not work.
- Consider quality (including sustainability) in assistance as important as quantity.
- Understanding of the local reality must be improved.
- Show some humbleness. What we believe (know) today will often prove wrong tomorrow. Donors don't have all the answers, and standardization does not work. Development cannot be planned as a scientific experiment (Edwards 1999). There are far too many unknowns.
- Reduce the debts of poor countries.
- Support good governance.
- Support capacity building (human and institutional).
- Support research and knowledge creation.
- Support the strengthening of civil society.

- Strengthen the role of women.
- Simplify the administration.

Already by glancing through this list, it can be concluded that many of these lessons (often dearly bought) are currently not applied in practice.<sup>41</sup> I have spent much time trying to identify which are the most important prerequisites for successful forestry projects (e.g. in Fruhling and Persson 2001). One can of course make such a long list of prerequisites for success that all attempts for action become impossible. But one must at least try to seriously discuss whether any meaningful actions are possible. It seems that in many developing countries, it is difficult to succeed with more traditional forestry projects. If one is realistic, the prerequisites are simply not there (at least not in support of the way donor organizations are working).

When lecturing, I have often summarized what has been said here in an overhead showing the '10 commandments' needed to attain success. These commandments are rarely followed. I have sometimes exchanged them for '10 commandments' of 'certain failure'. Many of those commandments are, on the other hand, carefully followed. What conclusions can be drawn from this?



### Box 6. Proposal for new Swedish policy for assistance

In March 2002, a political commission presented a proposal for a new Swedish policy for assistance or, rather, for a new Swedish policy for global development (SOU 2002). The commission worked for two years and certainly considered all new ideas about assistance. It touches on the problems assistance has met, but does not analyse these at a great depth. Neither does it discuss at any length the problems that seem to be inherent features of aid organisations. (Problems of, for instance, knowledge, responsibility and political mandate.) Will there now be great changes in the Swedish aid policy? Will the problems be dealt with?

The commission explains that poverty reduction is the prime objective of assistance and the target of 1% of GNP assigned to assistance should remain. It is also stressed that assistance on its own cannot do much good. Assistance is of value if it supports the countries' own work. Much is said about the need for coherence. Policies for trade, security, research, migration, environment and agriculture, for example, must be coherent.

It is interesting that the commission talks about the need to support global public goods. Forests are considered to be such a 'good'. It remains to be seen how the support can be given. With present administrative rules it is difficult to give support to forestry.

It is considered necessary to reduce the number of countries receiving assistance to about 20. There is a need for concentration. The need for good governance is stressed. The importance of ownership and commitment is also stressed. Sweden should support what the countries themselves want to do. The objective is to work with countries that, in principle, can be given budget support. The commission seems to have been much influenced by, e.g. WB 1998.

In the discussions after the publication of the proposal by the commission, it has become evident that poor countries which are 'developed enough' to receive budget support hardly exist. To reach a 'takeoff situation', it is necessary to work for 10-20 years to build the necessary capacity. Will this capacity building be much different from what has been tried for some decades already?

The problem we all seem to face is how to work with countries that are less than ideal. One suspects that the capability to cooperate will not be very different 5-10 years from now. The reality on both the donor and the recipient side is difficult to change.

# 7

## *Why Is Existing Knowledge Not Used?*

This paper argues that we know quite a lot about what works and what doesn't work in development assistance, forestry and forestry assistance. If basic rules are followed, assistance can probably work quite well (World Bank 1998). Botswana is a case in point (Carlsson *et al.* 1997). The basic prerequisite for success seems to be commitment and ownership (and realism) at all levels. There are also many other do and do nots. *Why, then, is this knowledge not being used?*

Let us first discuss the role of some of the stakeholders.

**Donor governments** give development assistance because they want to achieve political objectives (at home and/or abroad) and are often under pressure from their constituencies to do something in developing countries with regard to problems such as poverty, gender inequity or environmental degradation. The 'flag' is often important. The less it costs to do what is politically necessary, the better it is considered to be (at least by the Ministry of Finance).

**Donor organizations**, for their part, want to show that assistance funds are used efficiently, and that only a small portion of the money has been used for administration in the home country, instead of going to targeted beneficiaries. Donor organizations consistently convey the message that more funds are still needed to tackle the problems, that the work they are doing is crucially important, and that they are highly capable of tackling the problems, because they are progressive and innovative (*'an organization at the forefront'*).

The **'assistance industry'** has its own agenda. In the 1980s approximately 150 000 'experts' worked in developing countries (Hancock 1989). Lancaster (1999) reports that 80 000 experts worked in Africa in 1987. Technical Assistance now amounts to US\$13 000 million/year (compared to US\$10 000 million in the

1980s) (Anon. 2000b). Numerous consulting firms and NGOs are engaged in development work. There is certainly a lot of resistance to change within the 'industry' itself. If assistance was highly successful, many working in the industry would go out of business.

There are of course also many stakeholders in the recipient countries with a vested interest in the current state of affairs, and they too have many different objectives. **Forestry Authorities** will hardly ever say no to money. But they will resist changes that they don't think are in their interest. Few organizations will accept lessons which indicate that their power should be reduced. Forestry authorities will argue that funds, for example, for fuelwood plantations are needed, even when lessons show that plantations are not the solution. **Employees** in recipient organizations may have strong personal interest, sometimes financial, in the assistance. **Governments** will often not accept lessons saying that the environment must be allowed to cost more. Ministries of Finance and Planning have different objectives to the forestry authorities. SFM may seem to be of secondary importance.

Based on this mixture of diverse stakeholders and objectives, forestry assistance projects are developed and managed. It is quite natural that the results are rarely what 'experts' would like to see. That many of the lessons learnt are not followed is quite understandable. Some examples are presented below.

- **Lesson: Commitment and ownership are necessary**

If commitment and ownership are lacking, the risk of failure is evident. Donors have difficulties handling the question of commitment. Lack of commitment may only become clear after some time. Some groups may be committed, others are not. What will that mean? It is also, of course, always very difficult to accept that one has invested in the wrong approach. There is, therefore, a tendency to continue throwing good money after bad. Many projects are still very much donor driven, which means that the sense of ownership is lacking, and without this sense there will be no commitment. An underlying problem may be that donors want to do more than the countries are interested in. If donors only responded to strong national requests, the problems would be reduced, but donors also want to change things in countries when governments are not very keen on changes

- **Lesson: Better coordination among donors and cooperation partners is needed.**

The picture of effective coordination is not simply three or four forestry advisers meeting with officials of the Forestry Department to discuss what to do. Donor organizations generally have many with power who should have a say. So, there may in the end be 30-40 officials involved in the coordination on the donor side, and when it comes to important decisions (for instance on certain adjustments of planned projects or projects

already under implementation) they would first have to consult with headquarters and/or the embassy. This is often a lengthy and complicated process and may prove impractical: the objectives may simply be too different, or the decision processes may already have acquired their own dynamics. Successful coordination has been rare. Good coordination at sector level may, as a rule, be nothing more than a dream. Many donors use consultancy companies which are competing with other companies and sometimes have their own business interests to guard. Cooperation is therefore not very likely. The solution must be that the receiving countries develop enough capacity to handle the coordination themselves.

- **Lesson: Projects should start small and then be expanded, if they work well.**

Many donors have difficulty with a process approach. They prefer following a 'blueprint' approach, because it makes reporting, logical frameworks and financial follow-up much easier. Similarly, many assistance organizations prefer large projects, regarding them as simpler and more efficient (in terms of staff hours) to administer. Good projects have, however, seldom been large, and many lessons have been learnt from initiatives undertaken by small organizations.

- **Lesson: Flexibility is necessary.** If a project experiences problems one should be allowed—and able—to reduce its size or scope for a period; when the situation improves the project could expand again.

In practice, however, it isn't possible to create ideal conditions for forestry projects. Those who work with macro planning in donor organizations must know something of what happens and is expected to happen. If a sector is so special that it doesn't fit at all in normal planning schemes, one must discuss whether or not support should be given to the sector, or discuss if one should resort to special solutions (e.g. support through UN or NGOs).

- **Lesson: Assistance projects should be compatible with and linked to national initiatives.**

In an ideal world, donors should support a national programme (sector programme) and funds should be submitted to a common fund. Problems such as lack of transparency and the potential for corruption cause donors to mistrust assistance administration by governmental authorities in the developing countries. They frequently demand mechanisms for keeping fund utilization in check. Donors also respond rapidly to fads, demanding studies and the introduction of programmes that may not always be in the best interests of recipient countries.

- **Lesson: Conditionality doesn't work**

The alternative to conditionalities is to work only with countries one can trust. There is, however, often strong political pressure to work in less than ideal countries. A long list with conditionalities will make it easier to push a decision through a donor's board. Whether the conditions will work is then really secondary.

- **Lesson: Capacity/Quality in home office**

Most donor organizations try to keep their administration as small as possible, specially the number of technical staff—like foresters. This happens at a time when it is evident that the 'dialogue' requires greater quality. If one is to give assistance to forestry, one must understand the sector. Many donor organizations are now not competent to have a dialogue on forestry matters. The answer is often that expertise will be bought in when needed. But the budget for buying expertise is also often reduced. Many bureaucrats do not use expertise when it would be useful. They think they know what is needed and take decisions themselves. There is then often no one inside the organization that can stop impractical ideas.

- **Lesson: Decentralization is not always the best solution**

For some time, it has been popular to decentralize the decisions to the embassies. The idea may be good, as the embassies should know best what happens in-country. Embassies, however, rarely have the right kind of technical expertise. What one gains by coming closer to reality is often lost by reduced technical capacity. There are also frequent changes of personnel at embassies. There is a risk that policies may change more often in the future.

- **Lesson: Existing technical knowledge should be more widely adopted.**

It has been demonstrated that local communities or individual farmers can often manage forests as well as, or better than, government officials. Why, then, are programmes such as joint forest management, or leasing of forests to farmers, not used more widely in situations where the results could be beneficial for society? Similarly, low-impact logging, better regeneration methods or other methods that could reduce forest destruction and contribute to sustainable management of forests have been available for decades, but are not widely used. What accounts for the resistance to using this kind of (proven) knowledge?

The answer is that there are often too many people who stand to gain from the existing way of doing things (no political will to change). Forestry departments do not want to give up control of good forest land, and a number of other stakeholders (concession holders and authorities who collude with them, for example) can

benefit from the fact that techniques for more sustainable use of forests are not being used. 'Mining' of forests is, in the short term, more profitable than so-called sustainable forest management. Often, forestry authorities are simply too thinly staffed to be able to monitor and control forest activities and conditions (even if they would like to). There are also, of course, many cases where bureaucrats and officials just don't have the latest knowledge.

### Comment

Donor organizations (e.g. development banks) are aware of many of the lessons that concern them, but if these lessons were applied, many projects would simply be closed down or never started. For political reasons this is rarely possible.

This means that 'assistance' may be less efficient than would be the case if existing lessons were used. If donor governments were made aware of this, perhaps they would be prepared to change certain awkward rules.

Generally speaking, attempts are made to utilize some of the lessons at the macro level. It is much more difficult to use the lessons we have gained at the sector level. These lessons can be in direct conflict with the lessons learnt or the policies being favoured at higher levels (e.g. starting small, the process approach). The conflicts or the lessons learnt at sector level are, in addition, rarely known to the top officials taking the decisions.

In practice, there is no easy way to begin applying existing (often dearly bought) knowledge and lessons in order to improve assistance programmes, because development assistance is a political undertaking. Donors' objectives of providing 'aid' are not only to 'do good'. However, we must persist with analysis and discussion concerning how development assistance—even within its disabling political framework—can be improved (and at least try to avoid clearly negative effects).

The conclusion is that it is necessary to analyse in detail why existing knowledge is not used. There are often logical explanations of *why* existing knowledge is not being used. This is not to say that the present state of affairs should be allowed to continue. The goal must rather be to apply what we know (make it politically acceptable to utilize our knowledge).

As a final reflection, one may ask why all donors are making the same mistakes. Donors do not only go for the same fads when it comes to projects. They also go for the same fads when it comes to administration. For instance, why must most agencies try to work with understaffed organizations or with little technical competence, as they do today? Why should they all decentralize in the same way?

# 8

## *Some Points to Consider When Discussing Changes in Forestry Assistance*

There are a number of things that need to be changed if forestry assistance is to be made more effective. Some issues of importance for the continued discussion are elaborated on in this chapter.

### **8.1 Why not give up?**

This report lists problems encountered by assistance to forestry. It also tries to explain why donor organizations have problems with forestry assistance. Forestry has a reputation of using '2% of the resources but giving 98% of the problems' (WB). Why not give up? Forestry advisors do of course want to continue to work with forestry. Certainly, there are arguments against 'giving up'. Below I list the most important arguments in favour of continued work with forestry.

- 1/ One thousand million poor people in rural areas depend, at least to some extent, on forests and trees (WB 2001). If one takes poverty alleviation seriously, as most donor organizations and governments do nowadays, it is unfair and illogical to exclude work on forests and trees.
- 2/ About 25% of the land area in tropical countries is classified as forest. Shouldn't we bother about what happens to that resource and how it is used?
- 3/ WB is saying (2001) that developing countries lose US\$10-15 000 million/year because of illegal felling. Cannot part of this be 'saved'?
- 4/ We have learnt a lot about forestry during the last few decades. 'Empowerment, participation, JFM, and NTFP' are concepts we have learnt to recognize as important. The knowledge is increasing all the time (even if we mostly learn slowly and in *ad hoc* manner).

Shall this new knowledge reach developing countries through communication from village to village, from person to person? Shouldn't assistance in some way try to increase

the speed at which knowledge spreads? In the ideal case, each developing country ought to have someone constantly keeping the international 'development research front' under review and trying to bring useful knowledge into their own programmes. Weak countries will, however, hardly ask for assistance for this.

5/ Agriculture, education, health, water and 'governance' may be very important sectors in developing countries, but shouldn't developing countries also try to do something in other sectors? Sometimes forestry is important!

6/ Developing countries need a policy, a 'national will', for the forest sector and/or the land use sector. There is a need for a political process in which efforts are made to reach consensus on the most important objectives for forestry and land use. This must be a national process, but there is often a need for certain strategic support from expatriate ideas.

7/ Sometimes the belief that the national forest authorities can be dismantled is voiced. The local population can manage the forests. NGOs could also play an important role. The new trends we see will certainly change the role of the central administration, but will hardly make it superfluous.

There is a lot of hope attached to JFM. Often, however, the necessary conditions to make JFM possible are not at hand. Many conflicts may also arise when JFM is introduced. Forest authorities must learn to handle these conflicts. The situation in which the management of forests is to be considered is also continuously changing. JFM may be good today, but 20 years from now it may be inadequate. At that time, the forest authorities may have a more important role in management. There is, at present, much talk about the need for increased private investments in forestry (Chipeta and Joshi 2001). The authorities often do not have the capacity to handle increased private activities in the forests. There must be a certain balance between private capital and the capacity of the state to guide and control investments.

I think these examples show that it is not yet time to dismantle the forest authorities. They may need to change their role and, at the same time, be strengthened.

8/ Forestry is a difficult sector. Forestry requires cooperation with many stakeholders and other sectors. Forestry is dependent on society at large in a way that often leads to conflicts. Because of this, we have learnt a lot from forestry projects. For development in general, there is a value in having some forestry projects in place.

9/ It may be that the importance of the forests (and forestry) for the environment has been overstated. There is, for example, often a conflict between forestry and many positive



environmental effects. There are, however, certainly many cases when forests, and their use, are of great importance to the environment. The sum of many small positive effects can be of great value. If forests have a positive environmental effect in only 25% of the cases which are said to have had such effects, it is still great.

These points show that there are quite strong arguments in favour of improvements in certain aspects of forestry. Mismanagement of forests can be disastrous for the poor and the environment, and it can also mean lost opportunities for development. Improvements in forestry must, in the first instance, be handled by the countries themselves. But sometimes assistance can play a role.

## 8.2 Some administrative points

Most donor organizations have put great efforts into developing policies and strategies for their support to forestry (e.g. Sida 1999b, FINNIDA 1990, DANIDA 1995, Shepherd *et al.* 1998, WB 2001). I myself have desperately tried to come up with policy documents for SIDA. As time passes, I start to question the value of these documents. The reason for this lies in some of the new rules of the games. Below I discuss the ways in which a bilateral donor (and, in principle, the banks) can influence forestry in developing countries.

### 8.2.1 *Bilateral programmes*

When SIDA started to support forestry in the 1960s, the initiative or idea often came from a discussion between a Swedish Ambassador and some high official in a developing country. Sweden was thought to be good at forestry. Planned utilization of the forests should lead to development in the same way as had been the case in Sweden.

Thirty years ago, ideas about 'land programming' were already being promoted (Jackson 1969). The problems with donor-driven, scattered programmes were evident even then. The actual implementation of this planning principle has been piecemeal, but in practice we have continued to see a lot of donor-driven projects. For periods, SIDA has certainly experimented with 'assistance on the conditions of the recipient', but rarely with great success. Critics argued that there was a need for more conditions, etc.

We are now, again, in an era of 'assistance on the conditions of the recipient', which is logical, as the basic lesson we have learnt is that ownership is necessary. Ownership is necessary but not enough. Sida and a developing country now make joint plans and prepare a cooperation programme. In theory, this should really

show what the country concerned wants. Banks and many bilateral donors use similar methods. All donors do of course have their pet projects, so what is described above is not true in all situations. There is probably more focus on gender, environment, democracy and culture than the countries really want. There is, of course, a risk that the ownership of many such projects will be compromised by this interest.

Sweden has, over the years, provided forestry assistance to around 20 countries. For different reasons—e.g. failures and problems—the number has gradually been reduced. At present Sweden has forestry cooperation with six developing countries. Countries like Laos, Vietnam and India still want to cooperate in forestry, partly for historic reasons. They may find it difficult to discuss cooperation with Sweden without discussing forestry. There are also stakeholders within Sweden that want to continue, as well as in the recipient countries. But if cooperation were to start from scratch, it is not certain that forestry projects would be on the list.

Why should developing countries ask for support to forestry? It is of course natural that forestry authorities want to have support. But what about Ministries of Finance and Ministries of Planning? They may know that the forests are not under SFM, but they may have worse problems to cope with. In forest-rich countries, the forests often give some income, even without SMF. The ministers might actually prefer that assistance to forestry disappears. Forestry donors keep pressing for sustainability, help to minorities, biodiversity protection, and other pet subjects of the donor community. A minister may find it less difficult to cooperate in areas like water, health and education.

There seems to be little value in spending effort on formulating forest policies when they will not be used. It often seems that that is done for the donor constituency only. In practice it seems difficult to influence forestry via the old type of bilateral forestry programmes. A few donors have forestry among their pet subjects and do allocate special funds for these. This will then often lead to donor-driven projects with all their inherent problems. Some donor countries want to bring up forestry issues in all bilateral discussions on cooperation,<sup>43</sup> but laying down conditions seldom works. Is forestry really so important that it should be brought into all discussions in the same way as gender, democracy, child labour, AIDS, transparency, corruption, etc.?

If we follow the rulebook, we are likely to see fewer requests for support to forestry. This now seems to be the experience of many donors. Countries rarely ask for support to forestry. The rather few countries that have a genuine interest in improving their forestry may have enough proposals for support already.

### ***8.2.2 Support to International Organizations like FAO (or CPF)***

One may ask what would happen in the forests if most forestry programmes disappeared and the 'market' took over. Is it possible to substantially improve forestry before other sectors of society have progressed further? There is, however, a need to gradually strengthen the forest administration in most developing countries (see 8.1). There is also a need to spread new knowledge concerning forestry issues. Forestry should perhaps not go before everything else, but it needs to be in step with other development. In many countries forestry has the potential to enhance development and, especially in such cases, there is a need to start to control some of the worst forms of mismanagement. There may rarely be a need for large projects, but there may be a need for certain strategic projects.

An organization like FAO (or UNFF and CPF) could take on a number of these tasks. During FAO/COFO and UNFF meetings 'new thoughts' and experiences could be brought to the knowledge of forest authorities of the various countries. FAO could have regional projects and networks that support strategic efforts like inventories, planning, research and collection and compilation of statistics—projects that can be of value for those interested.

If a donor country believes that there is a need to support a certain aspect of forestry, this could be done in cooperation with, for example, FAO<sup>44</sup> (or CPF). FAO's governing bodies could also decide to start certain programmes. It would be for FAO to find the necessary funds, and the developing countries which are interested could take part. FAO could be active in ways most bilateral donors would find difficult (even if FAO sometimes is hesitant to push for new things).

A point related to this discussion concerns the fact that assistance often is directed mainly towards a small number of 'popular' countries. Because of this, should donors consider the use of an allocation model, similar to that of the UN, to ensure that assistance resources also go to less popular countries? Regional UN projects may be one way of efficiently assisting some countries. A UN-type mechanism may also be useful to address the problem of inadequate dialogue between countries and donors (which is now often a dialogue based on the power of money).

It is of course a fact that UN assistance has as many problems as bilateral assistance. One should therefore add a list of changes that should be made within the UN system, in order to make UN assistance more efficient. If FAO, for example, is going to play a lead role, there is a need for many changes. Perhaps many issues could be handled under a CPF cooperative arrangement. International and bilateral organizations should find ways to cooperate efficiently, when this is considered best.

### ***8.2.3 Donor organizations develop their own specialties***

Some donor countries have developed certain skills which they try to find use for in different ways (e.g. in bilateral programmes). The Danes have worked with tree seeds, the Finns with education and the Dutch with remote sensing. Developing countries know that they have these special skills and may ask them for assistance, in their special areas of competence.

This national specialisation may be tempting but there are certain things working against it. In most donor organisations there are frequent changes of personnel and those in power know very little about forestry. It has proven very difficult to run a strategic programme for a sufficiently long period to really create a critical mass of specialists. Small strategic components in country programmes also have a tendency to disappear.

In order to succeed with something like this, it is necessary to have strong, interested institutions outside the donor administration (like the Danish Seed Center). Such an organization is, to some extent, protected from being closed down, as that may involve a long and difficult process.

### ***8.2.4 Comment***

If we follow the lessons, it will be difficult for bilateral donors to influence what happens in forestry, and many country programmes will disappear. In practice, the UN system and/or CPF may be best suited to introducing new thoughts. It may look as if going through the UN system takes more time than the old donor-driven process. But it may, in practice, prove to be as efficient.

In principle, donors should support forestry only when asked to do so by the receiving countries and when the donor thinks that the prerequisites for success are in place. The rest of the support for forestry should go through international organizations. This puts pressure on international organizations to find operational practices that make them more efficient.

## **8.3 Some additional points about donor organization**

This report has listed a number of problems on the donor side. Some explanations for the problems have been given in 5.5.

Hydén and Mukandala (1999) have, in a recent report, analysed the work of three aid organizations in Tanzania (China, Sweden and USA). It was a comparative analysis that covered 30 years. The organisations were chosen because of differences in their approach.

The authors argue that it is necessary to combine a resource dependency and institutional perspective in the study of foreign aid agencies as organizations. This indicates what makes these

agencies different not only from firms operating in the market place, but also from other administrative agencies operating in the domestic context of the respective donor countries. The authors identify four forces that are seen as driving the agencies:

- The domestic political process of the donor community.
- The political and economic context of the recipient country.
- The dynamics of the international donor community.
- The aspiration of the donor agency itself to insulate itself from outside influences and pursue an autonomous line.

An important point in the discussion is that donor organizations try to be autonomous. The study analyses the variables that are likely to influence the aid agency and examines how it tries to deal with them, in order to enhance its own control of its social, economic and political environment. Aid organisations strive for control of their environment by trying to insulate organizational tasks from influences that complicate programme and project management. 'The specific challenge that donor agencies face is to strike a balance between organizational autonomy and responsiveness, especially to the environment of the recipient country'.

The authors discuss the 'traps' of foreign aid operations. 'Their mode of operation strategy and behaviour is important in determining the outcome of foreign aid. When a donor organization gets too bogged down in one particular aspect of its operations, foreign aid gets trapped and fails to achieve its anticipated objectives... There are at least four traps in which foreign aid can get lost':

- Accountability trap. A lot of effort to control use of funds.
- Solidarity trap. The recipient country should be given the major say.
- Coordination trap. Coordinate as much as possible with other donors.
- Insulation trap. This means a tendency to be inward-looking.

After analysing these traps they conclude:

- Donor control of aid does not enhance its effectiveness.
- Giving aid on the recipients' terms does not promote more effective aid.
- Donor coordination does not promote more effective aid.
- Foreign aid has reinforced rather than reduced existing weaknesses in recipient institutions.<sup>45</sup>

The report indicates that USA has had problems with the accountability trap. Sweden fell into the solidarity trap, and later also into the coordination trap.

'The conclusion is not particularly encouraging. The study shows that three major donors to Tanzania have all experienced difficulties

in their operations that cannot be ascribed to conditions in Tanzania. It is, rather, their *modus operandi* which is responsible for a performance that can be described as discouraging.'

**Three more quotations:**

'While there is no doubt that Tanzania has wasted an enormous number of opportunities to move ahead in the past 30 years, it would be wrong to absolve the donors from responsibility for the country's current predicament. The donors have proved to be part, not as much of the solution, as of the problem.'

'Given the poor reputation that foreign aid enjoys in both donor and recipient countries, there are many who will argue that we have reached the end of the era of foreign aid.'

'We believe, however, that a major reason why attempts at reforming foreign aid in the past have not worked is that they have not gone far enough. They have always assumed that those reforms do not involve major changes by the donors themselves. To the extent that donors have engaged in reforms it has been exclusively in terms of agency administration: for example, more decentralization, more focus on regional than sectoral concerns, and more contracting of outside consultants.'

I interpret the report as saying that one must expect problems because of the inherent problematic features of donor organizations (e.g. the objectives and 'grant economics'). The three organizations are very different, and they have all experienced problems of different kinds. Hydén and Mukandala are proposing drastic changes in the way donor organisations are working (see 6.3). Hydén seems to have lost faith in gradual changes (after 35 years in the business).

One can argue that when one problem is solved, it gives rise to new problems. This seems to have been going on for 30 years. Reports about assistance, written today, seem to find as many problems as did reports written 30 years ago. As a result of, among other things, the Jackson report (Jackson 1969), approaches like country programming and country frames were developed. The developing countries should know in advance which resources they have at their disposal. Very logical, considering the problems encountered. For some time now, country frames have been claimed to be one of the basic problems of assistance. It leads to a pressure for quick payments, with all the problems that causes. Is the solution to go back to the 1960 model, which did not work then?

# 9

## *Some Concrete Proposals*

*'It is good to know that success, although requiring funding, depends more on ideas, leadership and appropriate strategies than on money'*  
Uphoff *et al.* 1998

### **9.1 Introduction**

This report has described numerous problems in both the recipient countries and in donor organizations. There is a need to change the 'rules of the game' to make it more efficient (see 5-8). It is, however, not very likely that dramatic changes will take place in developing countries. Changes there are often politically difficult. Forestry is rarely so important that governments are prepared to take on a severe political fight. In addition, it is unlikely that there will be any drastic changes on the donor side. So, we may also in the future have to tackle some of the following problems:

- Projects will be started when there is limited commitment by receiving governments; donor-pushing for pet ideas will remain.
- Coordination will be mostly talk.
- Projects will start big.
- Attempts will be made to introduce conditionality.
- Few donors will have adequate technical knowledge to be good dialogue partners.
- The donor administration will remain complicated and inefficient.

The overarching objective of assistance should of course be poverty alleviation. In the case of forestry assistance, one important objective should also be to develop the capacity of developing countries to handle their own planning, policy formulation, management and coordination of donors. What can be done to make donors (or at least advisors) superfluous? Such an objective means of course that donors must accept that they cannot buy or push through their pet ideas of forestry. It also means an acceptance of the fact that donors cannot reduce deforestation through quick fixes.

This means that work shouldn't in the first phase be concentrated on technicalities like management plans, wood laboratories, nurseries, equipment and workshops. The main aim must be to support the 'basics' for sustainable forestry development. There shouldn't really be much difficulty in identifying useful tasks.

- Most developing countries lack capacity for sustainable forestry management. There is a need for development of institutions and personnel skills (capacity building).
- Few countries have analysis units that continuously try to identify and analyse hot policy issues; few countries have a functioning policy process.
- Most countries do not have any forestry research worth the name.
- Neither donors nor developing countries have systems for learning from ongoing work.

There is unlikely to be any major increase in funds for forestry, but neither will there be the reduction that would seem logical, considering all the problems. Some donor countries will, against all the lessons, have special funds for forestry. Other will, for historical reasons, continue with support in some counties. Why, then, not try to make the best of the situation? Below, I discuss what I think could be done in some fields which I consider as having priority rating when trying to achieve the overall objective for forestry. They are areas in which most developing countries have problems. All except the item 'rural development' relate to developing the 'basics'.

- Rural development
- Improving policies
- Capacity building (at least certain aspects)
- Strengthening of analytical capacity
- Strengthening of research
- Developing systems for learning

## 9.2 Rural development

The overriding objective of assistance has long been to reduce poverty. Lately this objective has been taken more seriously. Three thousand million people in developing countries live in rural areas. The majority of the roughly one thousand million people classified as poor live in rural areas (IFAD 2001). It is, then, quite natural that rural development must be high on the agenda.

Rural development has for a long period been popular among donors and has received considerable support. The work has, however, met with problems. One reason was that during one period so-called Integrated Rural Development was tried at a large scale (Birgegård 1997). These projects became too complicated and did not work as expected. The support to rural development therefore declined.



Many aid organizations have policies for rural development in general (e.g. Sida 1999a, WB 1997). In the case of Sida, poverty focus, humans in the centre, equity, sustainability, diversifying productive activities, increased employment outside agriculture, participation, support to local administration and macro/sector policy are discussed as important issues that require attention in order to achieve success. Sida identifies three areas for support:

- Sustainable use of natural resources
- Development of knowledge and capacity
- Development of policies and institutions.

Doubts are often expressed concerning support to rural development or area development (Edgren 2000). Is it, for example, wise to concentrate support on a specific area (island)? Studies have been undertaken, however, which have given us new knowledge and identify what is needed for success (e.g. Uphoff *et al.* 1998, Harrison 1987, Conroy and Litvinoff 1988). If we follow 'the rules', support to rural development can be successful. Large amounts of foreign exchange are not always needed.

In most rural areas there are some kinds of forest resources which could be important for development. We do not, however, seem to know how these resources can best be used. One important reason may be that forest authorities resist losing control of valuable forest resources. The utilization of forest resources are, in addition, often controlled by the elite.

Rural development (including management of natural resources) should also in the future be an important part of donor programmes. Few recipient countries can argue that rural development is not important for poverty alleviation. Countries interested in poverty alleviation will ask at least some donors for support to rural development. Often this may take the form of area development projects (or local pilot projects to create new knowledge).

For rural development projects (of the area type) it is important to work also at the central policy level (see 9.3). Many rural development projects work in isolation from the central level. It seems urgent to find the right balance between work with rural areas, on the one hand, and with the central authorities, on the other.

### **What to do?**

Support to rural development can normally be administered within most existing donor organisations. The projects are often of such a size that they are not easily lost in negotiations. Gradual changes in donor organizations can perhaps also, step by step, improve the situation.

### 9.3 Improving policies

Changes in policy can eliminate many of the problems in forestry and the need for external support. International organisations and donors are often central actors in a dialogue on policy, but their 'truths' are frequently proved to be wrong after a number of years. The dialogue is not very equitable (dialogue with the power of money easily becomes a monologue). The ideal situation is of course for developing countries themselves to assume full responsibility for policy making and, if needed, have a competent dialogue partner. There is a tendency now for all donors to want to engage in a policy dialogue. A certain amount of coordination is advisable. There is a need for changes in the way the policy dialogue is carried out at present.

#### What to do?

One way could be to let one donor take the main responsibility for the policy dialogue. Technical Assistance in this field could come, for example, from one donor (an international organisation?). All relevant donors should of course take part in yearly discussions. It is important that the World Bank is not always allowed to dominate. We should by now have learnt that there is more than one truth. The World Bank can rarely handle more than one truth at a time.

### 9.4 Capacity building

#### 9.4.1 Capacity building in general

Most studies on assistance and development emphasise the need for increased technical capacity. There are still a lot of 'experts' in, for example, Africa. During the past 30 years, considerable capacity has been established, but much has also been lost. Support to capacity building has so far rarely been sustainable. It is quite easy to strengthen the capacity of individuals, but building institutional capacity is a different issue (Wohlgemuth *et al.* 1998). To succeed in that field there is a need for a strong commitment from Governments and a real ownership of the process. Success cannot be bought with aid money.

Training can give good results, but there need to be a balance between the capacity established and the ability of society to sustain it. While there is a widespread need for the training of forestry personnel, it is also true that many trained people do not have suitable, qualified employment. In many developing countries, low salaries hurt morale and dampen interest. The approach of building capacity by strengthening universities has often worked well (in both research and training), but it requires that donors assume long-term engagement (see 10.5).

Weak institutions are a problem in many projects. Even where strong institutions have been built through the years, they will deteriorate rapidly unless the government in question is committed to maintaining them. Institutional cooperation over long periods of time has often been successful.

Networks organised by FAO and others have often been effective in providing much-needed capacity regarding, for example, inventories, statistics and agroforestry. A major reason for their success is that these networks often involve strongly committed individuals or organisations.

The need for commitment is a prevailing theme. Such commitment will develop spontaneously, if there is an economic advantage to be gained from following the rules. If that is not the case, it is a matter of changing attitudes.

Improved management of forest resources often requires more democratic societies. Strengthening civil society is one aspect of this, but donors will have a hard time achieving this goal with money alone.

Capacity building is a very big and complicated subject and it is not being dealt with at any length here. The fact is that lack of 'capacity' is normally experienced as a major problem. I will concentrate below on the aspects of capacity building related to analytical capacity and research.

#### ***9.4.2 Strengthening of analytical capacity***

Forest inventories have been a common form of assistance to forestry development, but they often give correct answers to wrong or irrelevant questions. There is a need for an analytical unit that identifies the key questions to be answered (Janz and Persson 2002). The information required is the second step, after these questions have been identified. Such a unit should supply the policy or political level with analyses of various alternatives for action. To achieve success with an analytical unit is difficult without government commitment. There is also a need to create domestic capacity to collect some of the basic statistics identified by the analytical unit as necessary. Without basic data all strategic discussion or planning becomes difficult.

In all contexts, the need for independent, freethinking 'think tanks' seems crucial. It would be possible for donors to support such a function at, for instance, a university department. The ownership of such a think tank may be problematic. Donor funding may mean that it is not fully independent. In many countries NGOs now play this role, but NGOs are often advocacy organizations and have their own agenda.

It is not enough to formulate policies and strategies. There is also a need to formulate an implementation strategy.

- What is the problem one wants to solve (or potential to utilize)?
- What is the objective one wants to reach?
- What are the resources needed to achieve the objective?
- What kind of organization is needed to carry out the work?

#### **What to do?**

The projects (support) needed to build the needed capacity do not require large amounts of money. A long-term commitment or engagement is, on the other hand, needed. In the field of analysis, a lot of capacity has been built, but most of it has been lost. Bilateral donors do not have the patience for this kind of work. That is still more true for banks that cannot provide long-term support. Networks arranged by, for example, FAO and twinning between institutions in developed countries and developing countries are most likely the best possibility.

#### ***9.4.3 Strengthening of forestry research***

Forest policies should be based on knowledge, but in many developing countries forest research is nonexistent. It is often said that forestry research hasn't had much of an impact on reality. This is true in many cases. Forestry research is often concerned with producing reports. The research is often 'academic', and the results often of little use to persons working with real problems. The contact between development work and research is often very limited. A problem is that research often deals with narrow technical details. Forestry concerns, however, a number of sectors. One way to improve forestry research seems to be to go more for interdisciplinary research. That is lacking in most forestry research organizations.

Forestry in developing countries doesn't necessarily need a number of brilliant scientists, publishing peer-reviewed articles in a steady flow. What most countries need are researchers that have the capacity to follow what is being done in their research field, and who have enough training to enable them to think freely and undertake detached, critical analyses. This can rarely be achieved just by reading books and going to conferences. Some hands-on research is certainly needed.

To build this research capacity, it isn't enough to support research in the traditional way. There are a number of things that must be done under the 'research umbrella'. Below I briefly discuss some of the needed activities.

**Results:** It is of course necessary that results are produced. Most support to research is aimed at this. But it isn't enough.

**Capacity building for research:** How to build personnel capacity in research is quite well known. But to build a functioning research

environment, with infrastructure, institutions, etc., has proven to be a very complicated process. Most likely, it will be necessary to go slowly, really considering the sequencing of activities. Established capacity can quickly be lost.

**Prioritisation of research:** The reason why research doesn't have a great impact is that it often gives correct answers to wrong questions. There is, in many countries, a need for a better prioritisation of research. And it is also necessary to match the research priorities with available resources.

'Ownership' of the prioritisation process must be with the receiving countries. In many countries a lot of prioritisation has been done with donor support, and the countries are expected to come up with the priorities the donor wants to see. Different donors have different expectations of what is important. Donors/funders should of course participate in discussions about research they finance, but they shouldn't sit with absolute power just because they have a big purse.

**Research funds/Research councils:** Related to the above is the need for research funds and research councils. Donors should not support projects *ad hoc*, according to their liking. Efforts must be made to support programmes which the countries prioritise. Donor contributions should preferably be put into a fund and a council of some sort should take decisions concerning what research to support. There will be a long way to go before something like this can work. But it should at least be worth the effort to try to develop such a system in some countries.

**Linking research and development:** The results of research are, as mentioned, often of little practical use. The contact between development work and research is often very limited. There is a need for closer contacts between the practitioners of development and development cooperation and the people engaged in research. In developing countries, the basic aim of research (at least in forestry) should be to support national development.

This seems to be very difficult to bring about. There is much talk and little action. Some organisations must really take the lead and work out a functioning system, at least for development projects with foreign support. There must always be an idea of how to link research and implementation.

### **What to do?**

It is not likely that most bilateral organisations or banks can succeed in giving direct support to forestry research. It requires capacity, patience and a long-term vision, which these organisations do not have. But there are alternatives. In agricultural research for

example, twinning between universities in developed and developing countries has been very successful.

In an ideal world, all forestry faculties in developed countries would have a twinning arrangement with at least one forest faculty in a developed country. There are also organisations like FAO, CIFOR and IUFRO which have important roles to play in this. It should be within their mandate to develop strategies for strengthening research. For the time being they are, however, short of funds.

A concerted effort to really strengthen forestry research would benefit from networking between all forestry faculties involved in twinning. In this respect faculties have much to learn from each other (as well as from agricultural faculties involved in twinning).

One may, of course, ask if this is a typical donor-driven idea. It may be that the Ministries of Finance will not ask for this. Forestry departments and forestry faculties would in most cases welcome the idea. For donors, it could be a way of building capacity which enables the developing countries to take charge of their own development. It can also be one way of building commitment for SFM.

## 9.5 Develop systems for learning<sup>46</sup>

Rural development and forestry development projects are currently often pilot projects of a mega scale (too much money is a problem). In other fields, such projects would be very research (and 'learning') intensive. 'Assistance', not least 'forestry assistance', ought to be very research intensive, but it is not.

How can we better tap existing knowledge about what does work and what does not? In many cases we are today doing what we should have done five or ten years ago. What should we do today? How can we learn faster? Most organizations do not seem to have effective systems that enable them to learn from experience. How can this be changed? There are proven techniques in forestry today that are not adopted (low-impact logging, joint forest management and so on). Why not, and how can we change this?

Much research and many of the investments in small enterprises are failures. These 'failures' may produce lessons that can bring development forward. It seems to me that there are strong reasons to make learning an important objective of forestry assistance (in both developed and developing countries). Acceptance of diversity should constitute one important component of such an enhanced and systematic learning process. With the current fear of failure in assistance, there is no or very little risk taking. Donors prefer to work with 'best bets'<sup>47</sup> or the latest buzzword. There is an urgent need to develop systems for learning and to apply lessons in practice.

It is a fact that projects are often carried out without analyses being made about what works and what does not work. Ten different types of community forestry programmes in a country should really give a lot of knowledge about what works and what does not work. The donors may just be satisfied with finding ways of avoiding disasters in their own projects, and keep quiet about them, but the 'host country' needs to learn from them. This discussion about learning can often scare forestry departments, forestry advisors and not least banks. They want action. Learning takes time, but costs little, though it may mean more work and added problems.

In each country there is really a need for a plan for learning. How to use pilot projects, for example, in order to gain a better understanding of what works and what does not work. Pilot projects can be useful in producing findings relevant for long-term development. But governments often know little about them or fail to learn from them. Pilot projects should be part of a coherent strategy. In some countries, NGOs may undertake this kind of project. There may, of course, not be much value in scattered, uncoordinated, risk-taking pilot projects, but if risk projects were part of an intentional strategy to find better ways to proceed, even failures can be defended.

Action cannot be stopped because of a lack of complete knowledge (which we will never have). One must analyse where there are unclear points and where there is a need for better understanding. It is also important to dare to try new approaches.

There is a need for some kind of 'think tank' that analyses ongoing projects/programmes and tries to learn from experience. Such 'think tanks' are, in the first place, needed at the national level. But donors also need to learn more. Donors and receiving countries could possibly find ways of cooperating in this regard. But experience has shown that one learns most from analysing one's own experiences. We know quite a lot (and misunderstand much), but better analysis could be a tool in convincing authorities about the need for changes. The same could be said about analyses of why existing knowledge is not used.

These initiatives have in common an understanding that success is not possible without a 'national will' and a firm commitment from the government. The best approach, then, may be to strengthen the basic infrastructure (not least including knowledge) and factors enabling the further development of such infrastructure.

Systems for learning from experience can be developed. Is it because of incompetence or ignorance that functioning systems for learning have not been established? Or is there no interest or will to learn? Is there an interest in avoiding learning?

Now should be the time to try to evaluate the development of a whole sector instead of only individual projects (C&I). Developing countries need organizations that try to learn from ongoing development efforts, and that can design pilot projects for learning. Development projects (at least in the land use sector) should always have independent research components attached (5-10% of budget).

One may ask how improvements could be realized in this respect. If little has been done during the preceding 30 years, what can be done differently now? One way could be to engage university departments for monitoring projects over longer periods of time. Twinning could be arranged between university departments in developed and developing countries.

In theory, NGOs could also do part of this work. But, as said earlier, they are often advocacy organizations, and not always very keen to understand the complicated reality.

The main finding of this work so far is that there is an urgent need to find systems for learning and, above all, for putting lessons to use in practice. If using the lessons learnt, applied correctly and efficiently, assistance to forestry should become more beneficial than today.

## **9.6 How to achieve this?**

Some ideas about what to do have been mentioned under each item. One point is that bilateral donors (and still more banks) have difficulties handling long-term strategic support of the type discussed under 9.3-9.5. There seems to be a need to combine UN, bilateral donors, banks, NGOs and universities. The best way to achieve this could be discussed between, for instance, CPF, bilateral donors and committed recipient countries.

There is really no shortage of money with which to achieve good progress in forestry. Some of the money which is inefficiently used at present could be directed to more useful purposes. It is mainly a question of accepting reality and using available resources in the best possible way. Bureaucracies should really not be allowed to prevent necessary actions.



### Box 7. History Revisited—What If Sweden Had Received Forestry Assistance?

In the 1860s, the situation in Swedish forests was critical, and deforestation and degradation continued due to different powerful forces. What would have been the impact in this period if foreign advisors from, for instance, Germany or Japan had arrived, expressing their concern and interest for supporting initiatives aimed at controlling the exploitation of remaining forests and starting forest regeneration programmes?

Support to education and research could probably have produced some results—but not in the short run. Support for the strengthening of forest institutions and forest administration could possibly have achieved some positive results as well—but would it have been sustainable? (Or, to put it differently: Could Sweden, at that time, have afforded a larger administration, once the foreign support was terminated?)

Foreign assistance for the elaboration of new forestry legislation would most probably have yielded very limited results. Support to local organisations, propagating tree planting, might have speeded up the process—but it could also have undermined genuine individual and private initiatives. The same goes for support to the national forestry organisations that already existed but were still embryonic.

Also, foreign assistance to the County Forestry Boards (established at the turn of the century) could have resulted in less local commitment and participation and more of a centralist top-down approach, which would have been counterproductive. By that time, however, Sweden had already forged its own platform to deal successfully with deforestation and mismanagement.

There are certain things that can be added to this story. Sweden did not get direct assistance but certainly learnt from Germany. Swedish foresters visited Germany and brought back knowledge. German ‘experts’ travelled in Sweden and wrote reports about the mismanagement they saw (Erland von Hofsten personal communication).

Swedish foresters used the German advice and knowledge as they themselves found best, considering the local physical and political realities. No one bought action by ‘aid’.

There were a lot of foreign investments in the Swedish forest industry during this time. That was not assistance but commercial investment. Sweden had a ‘stable enabling environment’.

Further conclusions from these historical speculations are hereby left to the reader.

Source: Persson 1998a



## *Final Discussion*

*'My main argument is that donors must share responsibility for what has gone wrong across Africa. ..., and that foreign aid is unlikely to bring about positive results in the future unless both donors and recipients rethink the ways aid is dispensed.'*  
Hydén 1996 (in Hook 1996)

### **10.1 The Future**

At the end of last century a number of books and reports discussed the future of foreign aid (e.g. Sida 1997, Tarp 2000, Hook 1996). Some of these reports expect rather dramatic changes. Aid is already now in a transition period.

Globalisation is one reason given for the rapid changes to be expected. Donors have also learnt that lack of capital is not the main constraint on growth in many of the poorest countries. More important is the policy environment. If money is not the main problem targets like 0.7 % of GNP lose some of their meaning. If policies are 'right', foreign direct investments can give most of the capital needed.

Perhaps government-to-government support of the traditional type will cease. The support will at least become more particular. There will be more budget support. Donors will expect results, and often changes in policies before assistance is given. The objectives of aid will often be political and economic stability. There will be a continuous push for democracy and human rights. Humanitarian relief will remain important.

NGOs will remain active. The coming role of the UN and the WB is not clear. Some think it will be weakened, others that it will remain strong. Certain things will, however, have to be dealt with at the multilateral level. There may be an increasing need for funding coalitions of the CGIAR type for public goods like healthy environment and protection against infectious diseases.

The only thing we can be really sure of is that there will be changes. The world has been changing very much over the last decade and will continue to do so. Those looking into the future, however, also have their views coloured by the present paradigm.

Ten years from now there may be a new paradigm, which we now know little about. We must expect that, sooner or later, the present form of assistance will disappear—perhaps sooner than we think. The necessary adjustments will be difficult to achieve.

## 10.2 Some conclusions

In this report I have tried to cover a lot of ground. It has not been possible to avoid a certain amount of repetition. It is evident that, over the last three to four decades, a lot of discussions have taken place. Every possible idea seems to have been discussed back and forth. It may be difficult to find something new that could drastically change things for the better. We may have the assistance and aid organizations we deserve.

Economists seem to have difficulties in agreeing whether assistance is good for growth. Indications are that at least some aspects of development, such as health and education, have improved. Analyses of all the support given to forestry would probably result in different conclusions, depending on the author. Hardly anyone would dare to argue that assistance in forestry has been a great success during the last 30 years. I doubt anyone would deny that things could be better. The reasons for the problems which have been encountered are quite well known to both donors and the recipient countries. But it is difficult to really prove something. We end up with opinions.

Both donors and recipient organizations find problems with the present form of assistance to forestry. Assistance to forestry may in practice be more difficult than that to most other sectors. The support for forestry is probably declining. One important reason for this is that the objectives of forestry are not clear. It is a question of whether priority should be given to humans or to trees. Forestry also often generates a lot of money, which provides fertile ground for corruption; there are many stakeholders and conflicts, etc.

This report has, so far, produced a long list of problems plaguing assistance to forestry. It is a litany. In the recipient countries there are numerous problems. Donors will normally have to work in 'less than ideal countries'. It will rarely be possible to work in countries committed to forestry development that have efficient and corruption-free administrations. What can be done in problematic countries?

Here, one must consider that donor organizations have a lot of problems. With the current rules and procedures of the donor organizations, there are a number of things that simply don't work. Technical fixes, like sector programmes and better coordination, will hardly solve the problems. Problems can hardly be solved by gradual changes—the target is moving. There is a need for drastic

changes, in order to at least catch up. It may be that we don't know how donor organizations can be drastically improved. Is it that donor organizations have been given an impossible task? Isn't it realistic to believe that donor organizations will also have problems ten years from now?

Large and relatively uncomplicated sectors (?), like health and education, may do something valuable, even in spite of the present deficiencies of the aid delivery system. A complicated sector like forestry may be the 'cuckoo in the nest'. Rules are not likely to be changed in order to make forestry more efficient. Then, good support may simply prove to be too difficult to achieve.

Forestry is a small sector in most donor organizations. It may, from some points of view, be easier to make forestry assistance of value if the donors are large, than if they are small. They may have a critical mass. Even if support to forestry is small compared to that of many other sectors, it is still US\$500-1500 million/year. Used well, quite a lot could be achieved with that amount of money.

### **10.3 Some recommendations**

This report has produced long lists of problems on both the donor and the recipient side. I have no definite solutions to propose for these problems. Below I give some examples of possible drastic changes and more traditional minor changes:

#### ***10.3.1 Drastic changes***

The main changes will have to be made in the recipient countries themselves. Things like policy changes, administrative reforms, law and order have already been mentioned. One shouldn't really hope to achieve much in noncommitted countries.

In committed countries, on the other hand, assistance can be of value. The countries should formulate strategies that donors can support. The assistance should be demand driven. In principle the assistance should consist of budget support. But that would mean that special forestry programmes would cease.

In this ideal world it is possible that forestry would get less assistance than is optimal. The Ministry of Finance may often not see the potential of forestry. The solution to this is hardly donor demand for forestry projects. One solution is that the forestry departments get arguments for more investments in forestry from the international dialogue. The importance of different sectors can also be discussed in the so-called dialogue between donors and recipient countries.

What to do in less than ideal countries if a request is made? Sometimes there may be possibilities to really do something valuable in forestry in countries that are not ready for budget support. One main prerequisite is commitment by at least some

important stakeholders in the developing country. Success requires a process approach; long-term commitment; funding that can be allowed to vary over time; planning that is allowed to take the time it needs, etc. The donor must also have a 'critical mass' to support the project. It is necessary to work more with quality rather than quantity. More money is rarely most important. What primarily is needed are efforts to really use available funds in the best way. The forestry situation can, if commitment is there, be improved without any assistance, but assistance can help in speeding up the process.

Will donors manage to support projects in the flexible way indicated above? It is doubtful. One possibility could then be to establish projects outside the main donor organization that are given the special rules needed. Such attempts have been tried in, for example, research. The main thing is to really take up a discussion about what is needed to achieve long-term success. In many cases the present rules prevent good forestry projects.

### ***10.3.2 Minor ideas***

I have my doubts that there will be much interest in trying to make the drastic changes needed to really improve the situation. It is, furthermore, difficult to see what can be done in practice to really improve the situation. What I can propose are small bits and pieces of solutions only. What should we do to try to do the best possible of the impossible? What can we do to get things moving forward a little? Some points are listed below:

- Hydén (1995) has proposed autonomous development funds. This is not 'the solution' but it can sometimes solve some of the problems described. Why couldn't some donors try to test it in a suitable country? The model may have certain advantages in a small but complicated sector like forestry.
- In the case of many international programmes there is a need for some kind of a CGIAR-type of funding system. This could, for example, be tried in connection with FAO's Forest Resources Assessments. It could also be tried in connection with support to forestry research (e.g. support to CIFOR, FAO, ICRAF, IUFRO).
- At present many countries are flooded with donors. This is, in different ways, costly for the developing countries. Shouldn't it be possible to reduce the number of donors in the popular countries? Couldn't at least one donor be given something of a lead role (e.g. in the policy dialogue)?
- Bilateral donors and banks should consider if they really have the 'critical mass' needed to work with forestry. If not, which is often the case, changes must be made. Resources must often be created outside the donor organization itself. If it is not possible to establish the needed 'critical mass' the organization should consider ending work with forestry.

- It is likely that the UN system will have to take on a greater role in the coming years. For example, there may be a need for CGIAR—types of funding to support certain activities. Organizations like FAO and WB (and CPF) should look over their role to find out how joint efforts best could be arranged. The donors have a negative memory of what happened with TFAP. It seems that all difficult bureaucratic problems in the organizations have not yet been sorted out.
- It can sometimes be proven that support to forestry is important. It is then necessary to analyse what, with the existing rules, can be done by bilateral organizations. Shall the organization try to adjust rules in an effort to make support meaningful, or should the organization give up forestry? It is a decision to be taken by the top management. As has been shown, work through international organizations is one possible road to progress. Bilateral organizations should analyse how they can work with UN organizations and NGOs to achieve objectives. They should analyse what the organization can do itself, and what others should be engaged, and paid, to do. In many cases, bilateral assistance agencies cannot succeed on their own.
- Discuss within UNFF (or CPF) how available resources can be combined in the best way. The following areas ought to be analysed (and strategies developed):
  - + Capacity building (how to make e.g. 'experts/advisors' superfluous?).
  - + Strengthening of analytical capacity.
  - + Strengthening of forestry research. How to link research with development?
  - + Develop systems for learning (in both donor organizations and recipient organizations).
  - + Develop systems for utilizing the knowledge that already exists.

Within UNFF, intersessional meetings should be arranged to really discuss what should be done to strengthen these things in developing countries. How can existing resources be used to really achieve something?
- When projects are started or extended, one should list the lessons learnt over the years. It should then be discussed, point by point, if this new knowledge is used. If it is not used good arguments must be given. This can also be done in ongoing projects.
- In forestry and rural development projects about 10% of the budget should be used to support an independent research component. This is one way of increasing the lesson learning.
- New knowledge is coming up all the time (even if it is often *ad hoc*). It is difficult for most 'forestry bureaucrats' to really get

time to keep track of all the knowledge coming up. There is a need to arrange, in most countries, a yearly seminar to discuss new important lessons. Such a seminar could also be arranged by EC or CPF. Reports and recommendations from such seminars could also be one way of informing the top management about new lessons.

- The Ford Foundation has, with limited amounts of money, made important contributions towards forestry development (Ford Foundation 1998). In one country, one project officer had about US\$1 million to support e.g. pilot projects. One important aim was to create new knowledge—no pressure to spend a lot of money. In Vietnam, Sida supported a project of this type for some years (the 'Strategy Project'). It was considered to be very successful. It is proposed that donors try to arrange for projects of this type in most developing countries.
- One thing which all organizations could do is to arrange for easily available funds which could be used to support activities within, for example, CPF or the UN system. The present system with decentralization of fund utilization will make it very difficult to support many good 'global initiatives'. There is, as has been argued in this report, an increasing need to work with UN organizations or CGIAR-type funding arrangements. Few organizations now have the resources to really follow up on these new needs.
- Donors and recipient countries should jointly try to identify the prerequisites for 'sustainable forestry'. In practice it can sometimes be an impossible goal until certain 'basics' (like the rule of law or transparency) are in place.

#### 10.4 The need for a new narrative

Development, and not least rural development, is immensely complicated. Decision makers in donor organizations, for example, often feel an obligation to do something in response to a problem, but because they are unable to go for the 'truth' (which is far too complicated) they go for a 'development narrative' (a good story) instead. Fuelwood crisis and desertification have been good narratives. It is not possible to kill a good story by scientific arguments. Change can be achieved only by finding a new, 'better' story (Roe 1991).

In forestry we have, as I have said, had a long row of good narratives: the fuelwood crisis, desertification, climate change, biodiversity losses, deforestation and employment. Now attempts are made with poverty alleviation and livelihood. Can we find a good new narrative? Or has forestry turned out to be so complicated that decision makers shy away?

Rural development (including forestry) may be the best possibility to formulate a new narrative. Poverty alleviation requires rural development. Research should be undertaken to clarify the role of forestry in rural development (including poverty alleviation). We do not seem to know how best to do things. Knowledge about this can best be reached by linking research and development work.

## 10.5 Some final words

Reports about the global environment can, chapter after chapter, describe all the problems. The last chapter is often empty, positive and naïve. I feel I am in the same situation. There are numerous problems in forestry and in most efforts to give assistance to forestry. I have no simple solutions to offer. Drastic changes on the recipient side and the donor side could make certain things much better. Such changes are not very likely. What I can propose are small bits and pieces of improvements only. Therefore, support to forestry will remain complicated. If things do not improve the result will be that available donor funds will not be used wisely. The forest resources will continue to deteriorate for some time to come and be of limited importance to development.

Work on some of the activities mentioned in Chapter 9 could often be started immediately, so that some progress could be made. It would, for instance, be of great value if research and analytical capacity were strengthened. This wouldn't solve the problems, but it would prepare the ground for change. When the situation improves, that investment may prove to be of great value.

The solution to the problems presented should be that the influence of donors is reduced. Developing countries should be trusted with the responsibility for their own development. Donor agencies cannot, within a short time, 'save the forests', develop the forestry sector and achieve sustainable forestry. What donors can do is to contribute to domestic capacity development, which will enable the developing countries to address needs and problems themselves, and shoulder the responsibility for their own development. National capacity and national political will are the strategic factors for this development. If a country is not interested in SFM donors cannot force it to change.



# Endnotes

<sup>1</sup> In the general debate, words such as 'aid,' 'assistance' and 'cooperation' are often used synonymously. Here I normally use the term 'assistance'.

<sup>2</sup> I have not defined terms such as *success/failure*, *commitment*, *ownership*, *developed*, *developing* and *development*, but some of them are discussed in other contexts. I also often place such 'difficult' terms in quotation marks. One should be aware that different persons interpret these terms differently (whatever the definitions say).

<sup>3</sup> There are also, of course, reports giving a primarily positive picture (e.g. Anon. 1997; Ganguli 1995; WRI 1985). Often the aim of the reports is to show successes.

<sup>4</sup> Although FAO 2001a, for example, reports a decreasing rate of deforestation.

<sup>5</sup> Currently much discussion centres on sustainable forest management (or SFM). According to many schemes it is a rather utopian state of affairs. When it comes to many developing countries, I ask if the first step should not be to get organised forestry going. In many countries the use of the forests is now completely disorganised. When the use issues have been stabilized the ambitions can be raised.

<sup>6</sup> According to the United Nations Development Program (UNDP), development assistance to forestry today totals about US\$1300 million per year (Madhvani 1999). This source uses a wider definition of forest than OECD/DAC. To the UNDP figures should also be added the assistance given by NGOs.

<sup>7</sup> Figures inside brackets exclude China.

<sup>8</sup> Many exaggerated figures.

<sup>9</sup> Sources: Reports and statistics mainly from the UNDP (1999), WRI (1998) and FAO.

<sup>10</sup> Members are, for example, FAO, WB, ITTO, CIFOR, ICRAF and UNDP.

<sup>11</sup> For instance, the Sahara Desert is not expanding south, as was once said, and many studies show that the 'fuelwood crisis' was oversold and wrongly described.

<sup>12</sup> I have received comments on these examples from knowledgeable colleagues. Most come with ideas for expanding the text. It is difficult to write concisely and cover all relevant issues.

<sup>13</sup> One reason for the increased demand for efficiency, plans, blueprints and clear measurable objectives is the 'patching syndrome' of many old long-term projects. The crises/problems were dealt with one after the other. The initial objectives were, after a while, often completely forgotten.

<sup>14</sup> Summary from Persson 1998a

<sup>15</sup> Ekelund and Hamilton (2002) explain that the new law was accepted by the common people. One reason was that it only demanded that felled areas were regenerated. It proved psychologically important not to ask for too much. Many parliamentarians certainly wanted a stronger law.

<sup>16</sup> The 'National Forestry Programme' of 1903 has been revised by Parliamentary Commissions in 1923, 1948, 1979 and 1993. The need for updating seems to be increasing.

<sup>17</sup> Recent research (Kaimowitz and Angelsen 1998) has shown that some of the arguments valid in Sweden are not necessarily valid in all developing countries. Improved agriculture may, for example, increase deforestation (at least for a time) instead of reducing it, as was the case in Sweden.

<sup>18</sup> The FAO figures are based on information from countries, often somewhat adjusted to fit FAO's definitions.

<sup>19</sup> A report from 2002 (Anon 2002b) gives figures somewhat different to those above. The same is true for WB/OED 2000a.

<sup>20</sup> Some donors believe the inventory figures are whitewashed. But many specialists seem to believe that land use is starting to come under control.

<sup>21</sup> Vietnam is sometimes blamed for protecting its own forests and using its neighbours' forests.

<sup>22</sup> There are big differences between Peninsular Malaysia, Sabah and Sarawak. It is somewhat difficult to find separate figures for Peninsular Malaysia.

<sup>23</sup> Yearbook of Statistics Malaysia 2000.

<sup>24</sup> HDI is an index for living conditions worked out by UNDP. It includes life expectancy at birth, knowledge level (e.g. literacy rate) and adjusted per capita income.

<sup>25</sup> Or one could perhaps say instead 'countries which have so many problems to solve that forestry quite naturally becomes of secondary importance'.

<sup>26</sup> These reports often give both problems and lessons. The lessons are discussed in Chapter 6.

<sup>27</sup> I list here problems of 'receivers' and 'donors'. It is often difficult to be fully logical in listing problems in this way. Points may sometimes be valid for different stakeholders ( in somewhat different ways) or for assistance in general.

<sup>28</sup> Many consultants seem to agree with my description of the present state of affairs. They are, however, disturbed by the fact that I often also make critical comments about consultants. There is, for practical reasons, very little possibility to avoid using consultants. Consultants are one group of stakeholders who, of course, play according to their own rules, in the same way that donors and recipients do. Use of UN or donor agency experts would also cause problems.

<sup>29</sup> A country like Botswana (Carlsson *et al.* 1997) has intentionally used foreigners as gap fillers. In due time they have been replaced by nationals. Developed countries sometimes do the same. The problem comes when the foreigners' role is unclear, or when they are expected to fill too many roles.

<sup>30</sup> NGOs contributed significantly to the development of Swedish forestry, and it is interesting to speculate on whether they would have succeeded, if they had been flooded with money 100 years ago.

<sup>31</sup> Even if some analysts would argue that conditions in these countries were so unique that the success could not be replicated, and/or that development assistance only played a minor role in the development.

<sup>32</sup> Karlström has worked in Kenya, at the IMF and has been chief economist at SIDA.

<sup>33</sup> This is all very true, but it may not necessarily be the only explanation. One should also mention things like the burden of debt, which actually is not to be blamed only on the borrower, unfair trade and 'neocolonialism'.

<sup>34</sup> This problem is much discussed in, e.g., Catterson and Lindahl 1999.

<sup>35</sup> In a recent report (Dollar and Kraay 2000) the authors say that there is a one-one relation between the average growth and growth for the poorest 20%. This finding has been said to depend on the fact that the wrong model was used (Vandemoortele and Delamonica 2000). This shows some of the problems with 'scientific studies' of assistance.

<sup>36</sup> I have received a comment that projects should focus on 'utilizing existing knowledge and capacity' (Kamugisha 2000).

<sup>37</sup> The conditions set can of course be in the interest of the population in the countries concerned. Local foresters may sometimes like the conditions.

<sup>38</sup> WB (1998) is by no means the first report to say this. It is just surprising that the Bank admits it. These 'facts' are still not accepted by all (see e.g. Seymour and Dubash 2001). Conditionality works, according to them, in 'the right conditions'. Conditionality can give support to change agents. In theory, they may be correct. But how often will this succeed?

<sup>39</sup> Just before the Monterey Conference on Financing for Development, the World Bank issued a report (WB 2002) showing the success of aid. The data in the report show that 'development' has improved. This is of course very much dependent on what has happened in China, Vietnam, India and Southeast Asia. What is the role of aid, and the WB, in the achievements of these countries?

<sup>40</sup> Information from Swedish Embassies

<sup>41</sup> This means that the 'country' (important stakeholders) should feel that the project is theirs. The project should not be considered owned by a donor.

<sup>42</sup> The lessons discussed so far concern mainly the macro level. There are also reports that give lessons from the micro level (e.g. Harrison 1987).

<sup>43</sup> WB tried to do this. When IMF negotiated a rescue package for Indonesia during the 'Asian Crisis', a number of conditions were raised. WB officers were given 24 hours to come up with the conditions for inclusion of forestry (personal communication).

<sup>44</sup> SIDA supported FAO's work with community/social forestry (FLCD, FTTP) for 25 years. The result was most likely much better than if SIDA had tried to do it by itself.

<sup>45</sup> Perhaps one should add 'in isolation'. 'Ownership' for example, is normally necessary but it is rarely enough.

<sup>46</sup> There is much talk about learning and knowledge management at present (Forss *et al.* 1998, Carlsson and Wohlgemuth 2000). In some cases the solution is thought to be computerized data banks (e.g. within UN organizations). That is hardly adequate. It is time to go from talk to action.

<sup>47</sup> I also argue that one should work with 'best bets'. Or rather, try to avoid things which we have learnt are not working.

<sup>48</sup> I considered elaborating on certain things said in the comments as, in some cases, there may be a risk of misunderstanding. After further thought, I decided not to do so.

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## Appendix 1

Points from African comments to draft report on 'Assistance to Forestry'<sup>47</sup>

- Common explanations (*to problems*) are 'the recipient agency employed the wrong people' or the 'project was poorly designed' or 'the people concerned were corrupt', etc. This has tended to detract from scrutiny of the real problems that plague forestry assistance, most of which emanate from the approaches and processes used to provide funds to a southern agency.
- Perhaps one of the greatest lessons from the early years of development assistance in forestry emerged from rural afforestation projects. This made it clear that donors do not always have answers to problems and that standardization of approach does not always work...the project implementers learnt early on that this approach (*planting of exotic species*) was unlikely to yield the desired results due to its narrow focus, but it was not possible—due to the bureaucratic and rigid planning structures—to change the approach midstream. This was due to the rigidity of the X, especially members of its supervisory missions, who insisted on meeting or adhering to the original project framework, objectives and indicators. The change was only taken on board during the second phase of the project... (so much for a learning organization)
- The dependency on donors has had one major negative effect, in that the government does not have a comprehensive forestry sector programme that incorporates activities outside those implemented by the Forestry Commission.
- Development assistance in the forestry sector, as in other sectors, has in part been driven by the donor institutions. Most donor countries state from the outset what their interests and priorities are, and request recipient countries to accept these. These interests and priorities, however, do not cover all the issues in forestry, but tend to focus on popular areas during a given period.

- The coordination of donors at the national level has been nonexistent. They seem to prefer to support projects funded by others—often suffocating the beneficiary recipient with money and reporting demands.
- Due to pressure to show results and impact of their assistance to their own constituency, donors tend to favour short-term projects (5-10 years maximum).
- Donor capacity and institutional memory must be developed to enable donors to implement process-based projects or programmes and not always try to implement standard solutions. The concept of institutional learning must apply to both donors and recipient institutions, to allow them to make effective use of emerging lessons and new knowledge for the implementation of funded projects. The overdependency on consulting firms generally weakens donor institutional learning.
- The dependency on assistance has had a number of negative impacts on the development and implementation of forest resource management in X. The major problem is that the government has progressively reduced its funding to the forestry sector, having realized that the sector is able to attract assistance...; the dependency on donor support has resulted in fragmented implementation of forestry programmes. Strategic forestry activities which are not popular with donors, such as human development and strengthening institutional capacity, have tended to suffer. Instead there is more focus on popular issues such as biodiversity conservation and community based forest resource management, resulting in a lot of overlap, duplication and sometimes conflicting messages and approaches.
- A key problem since the advent of TFAP has been the proliferation of different planning frameworks under environmental conventions and other initiatives, which have trapped many forestry institutions in the region in a planning paralysis...Rather than lead to implementation of forest management programmes, providers of forest assistance have insisted on the production of one of these preferred plans as a prerequisite for assistance, resulting in recipient agencies spending more time planning than implementing. In the case of X, the country has produced at least three of these plans in the last decade.
- The continued domination, combined with often faked confusion on the part of the southern agency, provides a feeling of power for the northern development officer, who is made to believe that change is imminent. Commitment to engaging in and/or incorporating gender and environmental considerations are viewed as symbols of agreements and victory for the donor,



while for the southern agency it is a prerequisite for signature on the contract. There are always ways and means of failing to meet the targets as agreed

- The importance of learning from ongoing activities and experiences cannot be overemphasised. This, however, calls for strong documentation and information dissemination capabilities.
- As long as we have a saviour-beggar relationship, even bringing in a neutral observer (from outside the recipient country) will not help.
- This implies that donors should look favourably at funding institutional development and support it, rather than discarding this as government responsibility.
- The donor agency monitoring and evaluation officers are usually an inner core, approved by their governments to safeguard the interests of their governments. These tend to be powerful and very rigid. Experience shows that they have been very slow to change their monitoring systems to allow for learning by doing.
- Thus, one can conclude that sector programmes in X have been externally driven and that there is a lack of ownership and commitment by the recipient agencies. The situation is exacerbated by the existence of too many country strategies in forestry...and this has resulted in a planning fatigue amongst staff of the recipient agencies. It can be argued that if the recipient agencies had been allowed to plan and design the sector programmes independently, they could have come up with plans that are more realistic within a shorter time.
- The governments of recipient countries generally do not have resources (either human or financial) to ensure the full participation of stakeholders.
- The country strategies also provide a good framework for channelling donor funds. Unfortunately, this is undermined by donors insisting on funding areas in line with their own priorities.
- It can be argued that the major problem is that the process of developing these plans is, in itself, flawed. The focus is mainly on production of the plans, and not on implementation.
- The issue of recipient country or agency ownership of forestry assistance cannot be overemphasized. Whilst most donors are for increasing recipient country ownership of forestry projects and programmes, they usually impose conditionalities and monitoring systems that say the exact opposite. In particular, flexible, mutually agreed monitoring systems that allow for learning by doing and incorporation of new knowledge and

experiences, must replace the current rigid, target oriented system.

- Discussions with various experts...indicate that, generally, forestry assistance has not been very effective so far. Without looking for many examples, it is evident that on the whole, the management level and magnitude of the forest resources are lower than during the 1970s, the period before the major forestry assistance in X.
- Undemocratic government decisions have led to enormous problems in the forestry sector. The most notorious ones in X are continued legal and illegal excision of forest land for agricultural and urban settlements.
- Some projects make provision for highly specialized training. Quite often, because of other considerations such as loyalty, the officers trained are deployed into unproductive and frustrating areas after completion of their training...
- Due to a great desire to market commodities of the donor countries, technologies which are not sustainable have been exported to developing countries.
- Rather than ask for the needs of the country, some donors say what their policy is and recipient countries have to re-orientate themselves to meet the donors' requirements.
- In forestry, most donors prefer to keep other donors from their territories...
- Because donors naturally want to succeed, they logically look for areas which have a chance of immediate success. That is why dryland forests have not received much forestry assistance.
- Foresters should be retrained to make them appreciate the human side of forestry
- Aid can be used without causing overdependence if it is channelled to what has been initiated by recipients, as opposed to starting altogether new components.
- ...started tree nurseries to attract donor funds. Some years later, after donor fatigue, most of the tree nursery activities were abandoned and the impact has not been proportional to the aid that was extended.
- Though involving local communities in forestry management is stated as a good principle, this rarely happens in practice.
- Better planning is not really the answer. Elaborate plans are known to be shelved in countries which anyway routinely implement less than 10% of planned activities.
- ...to judge whether aid has been successful, it is the stakeholders who should be the judge and not the aid organizations whose evaluations may not reflect the real situation.

- ... an evaluation of a failed project is not given the necessary attention, because nobody wants to be associated with failures...Therefore, in most cases, donors embark on projects totally oblivious of lessons learnt.
- The statement that the main problems are quite well known is correct, but in actual fact the underlying causes are not well known.
- However, these programmes (*sector programmes*) have not had their desired impacts, because most donors prefer to develop and manage their own projects, even though the initial objective was for the WB to coordinate all donor support to the forestry sector.
- Assistance to the forestry sector, like to the rest of the country, has been largely successful. In fact, X is one of the few countries in the tropics that are judged to be seriously working towards SFM.
- The first problem is that the influx of aid has not led to an increase in private investments as expected by the government.
- There is therefore a need to refine and overhaul the idea of technical assistance since it is not achieving the desired effect.
- Specialists from donor agencies, who come over on missions to help develop assistance programmes, have their own preconceived ideas which local people find difficult to change. Local staff in some cases do not see the benefit of certain assistance programmes but are forced to go along, because they need the funds to do some work and not because they think that the programme would be beneficial to the sector. There is, therefore, the need for the forestry sector to set the agenda for donor funding.
- Donor funding with strong conditionalities is not popular with forestry workers and tends not to be successful. Most forestry workers want a more flexible and interactive programme, which would be more responsive to changes in conditions.
- Development assistance has been so target-oriented that it has not achieved the primary objective of alleviating poverty within the recipient countries.
- Development assistance to the forestry sector must be comprehensive, long-term and holistic. It must be developed within the context of a national development framework and integrated into the social, economic and environmental programmes.
- Development assistance must be targeted at supporting recipient countries to implement the national development agenda and not that of the donors.

- Improper orientation of the existing human capacity (local staff) towards project implementation, thus providing opportunities for expatriate staff to manage projects. There is a lack of human resource development planning to guide human resource development in the forestry sector.
- Bad governance, and not necessarily undemocratic governments, is a major problem of the receiving countries.
- Donors are not willing to be controlled, as they set their own development agenda and coerce recipient countries to fit into their programmes in order to attract more funding from their principals.
- Confusion at community levels, where one group is assisted by some incentives for doing certain activities, while others are not assisted for doing similar work
- Most donor-assisted projects are not integrated, nor are they properly coordinated. Different donor projects tend to give contradictory results, which leads to the forestry sector taking conflicting decisions at different periods of time.
- Before a Natural Resources Management Programme was funded, the WB demanded changes in legislation, good and clean governance, efficient administration, recruitment of good people, and a show of commitment by providing counterpart funding and promoting private sector activities.
- This has been a comprehensive intervention and it should have left the FD in a situation where the need for aid is more focused and diminishing. Instead the FD is still making requests to tackle the same old problem.
- Generally, acceding to policy changes as a result of exogenous pressure does not elicit real and sustainable commitment equal to endogenously generated change, and creates ambivalence. Commitment to donor-driven changes will only last for as long as the particular donor remain active in the sector.
- Conservation NGOs have been mushrooming all over X since the mid-1980s. Although they have been supported generously by donors, experience seems to indicate that most of these NGOs are after money for their own private use, as there is not much to show for it.
- Since the TA positions are competed for, counterpart positions should also be competed for by the staff of the implementing agency. Hand-picking counterparts often puts the wrong person in the right job.
- The problems mentioned aptly apply to the X situation. However, it should be noted that the majority of the most serious problems affecting aid in the country have their origins in the internal inefficiencies and wastage that characterize the

political/administrative structure and function of its government, which seems to understand spending more than wealth creation. Aid will never be meaningful unless X sees it indeed as aid and not as a birthright. It will not be until countries mock up idle capacity within their borders and mobilize resources domestically, that aid will start being meaningful. Aid should be used to fill gaps, but not as the sole source of development financing.

Overdependence on aid should be discouraged as much as possible as it creates apathy, laziness and begets more dependence. Donors have been so generous to X that it has forgotten the primary responsibility to develop its people. Everyone knows that it is the duty of government to coordinate donors and get value for money out of aid, but this is simply not done. Surely donors cannot be blamed for this. Perhaps they should be allowed to work with subnational entities, where coordination needs are limited. Where donors have found clarity of purpose and political goodwill, aid has brought incremental benefits.

- Turning to donors, the most serious problem encountered is frequently that they put conditionalities where they are not needed, and refuse to put them when it is absolutely essential.
- They (*expatriates*) come with preconceived ideas and want to compare countries since they are all African, an attitude that offends most Africans. A sizeable minority among expatriates are not keen on institutional learning and they do not respect institutional memory.
- There is also a tendency to treat African countries as if they were one homogeneous country, and in doing so they impose inappropriate averaged ethics and blueprint standards, ideologies and ideas. Africa is probably more varied than any other continent on earth. For instance, there is a rushed push by donors that receiving countries must embrace gender, sustainability and environmental conservation, moreover using western standards. It must have taken some time for these noble ideals to reach the heights they have in the west, and the receiving countries need time to adjust in the context of their socio-economic development, politics, history and geography.
- The thrust now is to give exaggerated statistics, engineered and manipulated situations, harrowing predictions on deforestation rates, charismatic ideas and outright falsifications, especially on gender, environment, poverty and the like, in order to grab attention and capture popular imagination and hence justify aid. This is done because experience has taught them that this is the language donors want to hear!

- Generally, aid programmes have a tendency to spend hefty sums on all types of plans, counterplans and studies. Assuming that planning is an intervening variable between knowledge and action, one may posit that there are enough plans and enough knowledge to allow for action to begin... Planning without action is an escapist ploy to avoid and/or delay action, as this is where the challenges are.
- Aid has also created a dependency attitude within the FD. While formerly recurrent and development expenditure got budgetary support from the national budget, these days all development activities are financed through aid. Staff spend most of their time writing proposals and scampering around for foreign aid and not actual working in forests.....Worse still, development proposals are prepared in accordance with the available aid prospects, irrespective of the actual needs and priorities.
- Generally, existing forest resources in X can generate a substantial amount of money to pay for most of the FD's operations. However, no one is interested in harnessing the potential or developing the resources simply because aid provides for all individual needs.....Vital operations which normally cost so little (e.g. fire protection, tree seed collection, tree nurseries) have ceased simply because officers exaggerate the actual costs in order to access aid. The FD has been reduced from the vibrant performer it used to be, to a corrupt beggar.
- It is common these days that, before possibilities under one invention have been exhausted, new ones are proposed. They come like an avalanche and everyone jumps on the fashionable thing.
- Small budget, low visibility forest projects should be promoted as they are not attractive to the *sharks* and hence proceed smoothly. They also tend to have lasting impact.
- Aid to forestry should be committed and maintained in measured doses over a long time. Short-term aid does not live to see impact, success and failure.
- No effort should be spared in creating and preserving institutional memory. Lessons learnt, mistakes made and experiences gained should be the light for torching into the future.
- Aid should be handled indeed as aid, that is giving a helping hand where the victim's efforts are failing.
- To have sustainable forest management, there are certain preconditions that must prevail, including democratic systems of governance, a culture of interactive methods of work, ... to mention but a few. Probably this is utopian and can never prevail at optimal levels at all times and in all places... There is an urgent need to be realistic, simple and practical. The world

just needs to identify minimum conditions necessary for action, and respond according to the lessons learnt as times passes. To attempt change in all these variables at the same time is simply impossible and quite unnecessary, because the world is changing all the time and, hence, this will be pursuit of a moving target. In any case, it is not possible that there can be one formula for solving the forestry problems in all countries of the world. Each country is unique and has to have a specific combination of the right conditions that may not necessarily fit conventional wisdom.

- The growing culture of viewing aid only in terms of 4WD cars, computers, air-conditioned offices, fat allowances and shopping trips abroad, has to be stopped fast in favour of mud-coated boot and barefoot foresters.
- There must be a return to the basics and first principles, because global debate has reached levels that are getting far removed from what is and should be.
- It takes two to tangle and the strength of any chain depends squarely on its weakest link. In this case, it is the recipient that has to do more or else the reforms on the donor side will be rendered meaningless.
- It is not a rule of thumb that existence of **democracy** is the *panacea*. The advent of democracy in X has posed unprecedented threats to forest reserves. Unscrupulous people have subverted the true meaning of democracy and use forest reserves to search for votes, insisting that monkeys, trees and birds do not vote, and it is a human right to have food and hence people should be given (wasted) forest land. Democracy in X has also brought economic stability and growth and boosted the construction industry. As a result there is now very high demand for timber. Forest resources that survived several years of dictatorship are being slaughtered day and night for timber. As one of its responsibilities, X's democratically elected Parliament vets and approves all government budgets, including donor-supported projects. It has been observed that the majority of members will support a given project only if it will partly be located within their constituency or serves the best of their broad political interest. Many a project has either failed to be passed or been subjected to serious delays, as members of the august house haggle to cut a piece of the project for their political constituencies, to ensure re-election. The development of democracy is proving to be one of the main sources of threat to the forest reserves. The contention here is that, all things being equal and in absence of corruption, the presence or absence of democracy is not a *sine qua non* for efficient aid performance.

- Regarding **participation**, it is a notion that many flirt with and talk about so much without taking into account its precise meaning in practice. It is a very lengthy process requiring patience, commitment, capacity building and iteration before it occurs under conditions of equal partnerships, circumstances that many a project cycle cannot afford. The notion has as many definitions as there are individuals and situations. But most interestingly, the wish to participate does not have its origins from below but rather from the same top-down cohorts. There is evidence in X that ordinary people often feel they are being bothered with all this participation and would wish to spend their time on more profitable engagements. In X, most of what is called participation is *localized top-down*.
- On **tenure**, it does not follow that clarity of tenure by itself alone will lead to sustainable forest management. Market forces and the prevailing socio-economic situation may dictate a situation whereby the would-be advantages of secure and clear tenure disappear. There are tropical high forests in X that have been owned privately under one of the most secure tenures (*freehold*) since 1900. When the national economy collapsed in the 1970s-80s, the owners turned to them for pit sawing, commercial charcoal burning and firewood cutting. Today, they are no more than climber tangles, having lost their structure and composition. In some cases, they are worse than communal forests.



Assistance given to forestry as Official Development Assistance (ODA) is often problematic. It is well known that commitment and ownership in developing countries are needed in order to achieve success. The lessons learnt from past projects are seldom applied and funding agencies need to change their approach. This study argues the best way to overcome current problems is to support developing countries' own strategies, for overall development or in a selected sector. But such an approach is unlikely to be followed. Accordingly, support for rural development, capacity building, research, learning, strengthening of analytical capacity and other 'basics' should be favoured as a second 'best bet'. The main aim must be to strengthen domestic capacity within developing countries so they can take full responsibility for their own forestry development.

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