

Sweden

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1. FOREST HISTORY

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

1.1 Forests, land use and the growth of forest industry

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

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

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

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

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

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

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

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

1.2 Forest policy and the institutional framework

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

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

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

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

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

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

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

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

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

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

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

2. HISTORICAL INVOLVEMENT WITH TROPICAL FORESTRY

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

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

3. STRUCTURE OF DEVELOPMENT ASSISTANCE DELIVERY

3.1 Organisation of the aid programme

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

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

3.2 Development assistance commitment

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

3.3 Bilateral assistance through Sida

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

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

3.3.1 Department for Natural Resources and the Environment (DNRE)

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

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

Figure 1: Net disbursements at 1994 prices

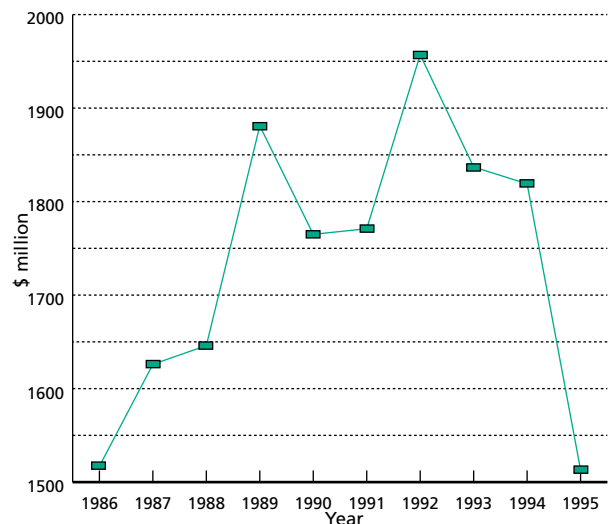
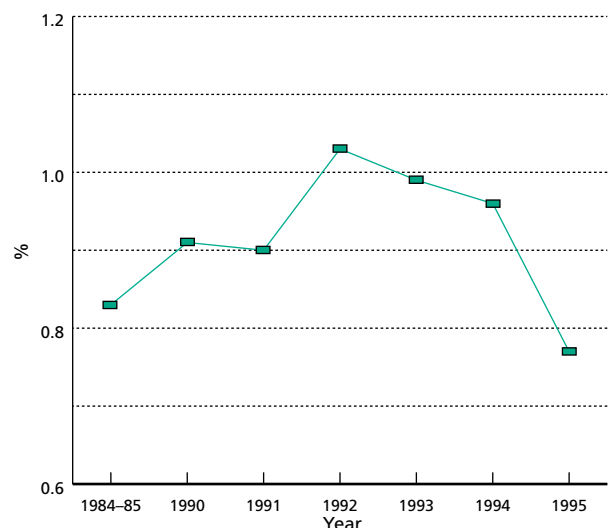


Figure 2: Aid – GNP



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

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

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

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

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

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

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

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

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

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

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

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

3.4 Multilateral assistance

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

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

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

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

3.5 Swedish non-governmental organisations

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

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

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

3.6 Swedfund

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

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

4. EVOLUTION OF SWEDEN'S FORESTRY AID STRATEGY

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

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

4.1 Evolution of overall aid strategy

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

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

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

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

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

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

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

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

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

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

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

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

4.2 Shifts in the strategy of forestry assistance

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

4.2.1 Evolving development goals in the forest sector

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

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

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

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

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

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

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

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

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

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

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

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

4.2.2 Encouraging political commitment and capacity in forestry

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

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

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

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

4.2.3 Other strategic initiatives in forestry assistance

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

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

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

5. REGIONAL AND THEMATIC DISTRIBUTION OF PROJECTS

5.1 Regional distribution of projects

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

Bilateral assistance to programme countries

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

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

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

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

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

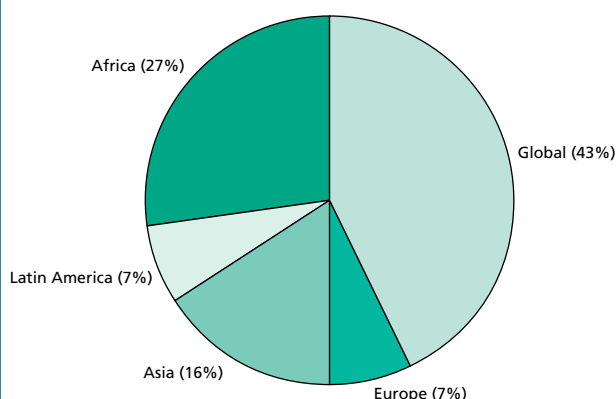


Figure 4: Geographical distribution of development assistance through Sida 1994–95

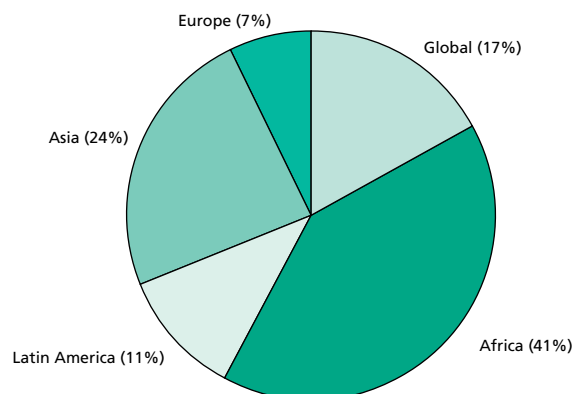


Table 1: Forestry assistance by programme countries and year (SEK m.)

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

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

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

Assistance to other countries

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

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

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

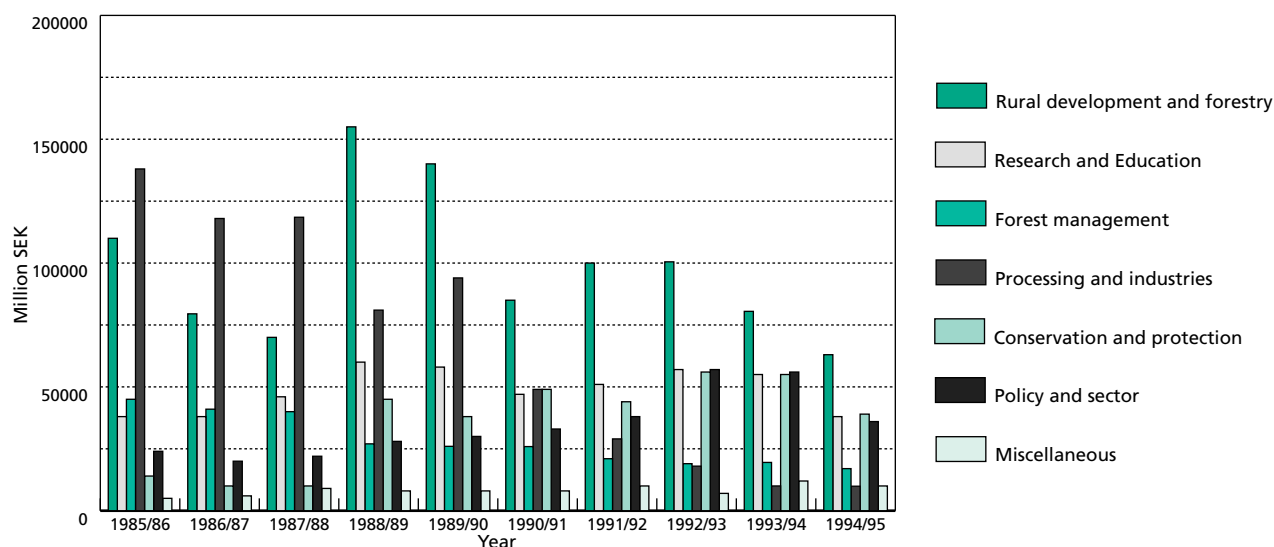
5.2 Thematic distribution of projects

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

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

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

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

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

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

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

Disbursement: MSEK 214

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

India

Disbursement: Total MSEK 974

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

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

Laos

Disbursement: Total MSEK 228

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

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

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

5.3 NGO assistance to forestry

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

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

Sida contributes a substantial amount of funds to Swedish NGOs. Support for forestry is included under the rubric of agriculture, expenditure for which amounted to approximately SEK 130 m. in 1994/95.

6. RESEARCH AND TRAINING

6.1 Swedish Agency for Research Co-operation with Developing Countries (SAREC)

Assistance is provided to both national institutions in developing countries and international research organisations in response to requests that fall within SAREC's priority areas for forestry research. Swedish research institutions can also apply for funding for research projects related to developing countries. SAREC's general priority areas are food security and biodiversity. Priorities for forestry research range from these general

issues to more specific topics such as land management in dry areas. Research on tropical rain forests now has less priority for Sida support, mainly because a great deal of attention is being given to this by development co-operation organisations in other countries.

Three components of the programme of assistance to forestry research through SAREC can be distinguished (SAREC, 1995):

- (i) Approximately SEK 17 m. was provided during the period to countries where Swedish research institutions were also involved in forestry-related research. Examples include:
 - Malaysia: hydrological and nutritional changes as a result of the conversion of tropical rain-forests to plantation forests; selective logging and silviculture in tropical rain forests;
 - Kenya and the Sahel region: agroforestry;
 - India: tree tissue culture;
 - Ethiopia: propagation from seed of selected indigenous trees with low germination rates or short viability;
 - Other countries supported under this rubric include Costa Rica and China.

The main forestry research institutions, apart from SAREC itself, are located in the Universities of Lund, Uppsala, and the Swedish University of Agricultural Sciences (SUAS) at Uppsala and Umeå.

Box 1 continued

Nicaragua

Disbursement: Total MSEK 290

Assistance to the forestry sector dates back to 1982. It changed in 1986 from a focus on development of a national plan for the forestry sector and support to education and rehabilitation of the forest industry to a focus on production targets. In practical terms the assistance to industrial production increased, while assistance to education and forest management was reduced and for sector planning almost insignificant during 1985/6–1988/9. From 1988/9 this gradually changed with increasing support for planning and also for forestry education/training and forest management. Between 1988/9 and 1991/2 the assistance to forest industries was phased out. A special case with Nicaragua as compared to the other country programmes is the absence of a significant rural development component. Another distinguishing feature is the development of a National Forestry Action Plan in 1993, where Sida was the lead agency on the donor side.

Tanzania

Disbursement: Total MSEK 310

In the beginning of the period a large share, approximately 35% of the assistance, was for the paper mill in Mufindi. Assistance to forestry, rural development and conservation has been a part of the programme throughout the whole period, particularly during the later stages. This has included (1) soil and water conservation in the HADO project (Hifadhi Ardhi Dodoma) in the Dodoma Region, (2) support to the Community Forestry Section of the Forestry and Beekeeping Division of the Ministry of Tourism, Natural Resources and Environment and (3) a Regional Community Forestry

Programme. Assistance to training and education has also been included, both for forest workers and forestry institutions as well as the Manpower Section of the Ministry. Of a more recent date is a large rural development programme "LAMP" (Land Management Programme) in the Babati area. This new programme has a district-level focus with less emphasis on central support.

Vietnam

Disbursement : Total for MSEK 771

Support for most of the period was focused on Sweden's assistance to the establishment of the pulp and paper mill in Phu Ninh in Vinh Phu Province generally referred to as the Bai Bang Paper Mill. An early concern was the supply of raw material for the mill and this was the primary reason for initiating assistance to forest management in the early 1980s. In the late '80s support to social forestry was begun.

The Vietnam–Sweden Forestry Co-operation Programme that began in 1991 changed the focus of the activities drastically, becoming more of a rural development programme with a focus on poor people in the mountainous areas in the provinces of Vinh Phu, Tuyen Quang, Ha Giang, Yen Bai and Lao Cai. The new direction that evolved was also a reflection of wider political and economic changes in Vietnam, with a move away from centralised planning and an orientation towards the market economy. A significant step was the allocation of land to individual farm families that began in this period. Participatory methods were tried and developed together with local authorities and organisations involved in forestry, agriculture, horticulture etc. In 1994/95 a new programme was under preparation ('the Mountain Rural Development Programme').

- (ii) A substantial amount has been allocated for forest-related research, without the involvement of Swedish research institutions, in Zimbabwe, Ethiopia, Tanzania and Nicaragua.
- (iii) Funding for forestry research has been provided to international institutions such as CIFOR, ICRAF and the African Academy of Science.

6.2 Training through Swedish institutions

During the 1960s there was a special SIDA Fellowship Section for students from developing countries who wanted to study in Sweden. However, excessively low levels of reabsorption of former fellows into their national systems led to a shift in the focus of training to the development of training facilities in the recipient countries. Training may be organised in Sweden for an interim period for students from a particular country, an example being the MSc. programme for forestry students from Ethiopia implemented partly by the Agricultural University of Alemaya in Ethiopia, and partly by SUAS in Sweden. This arrangement is temporary and will continue only until the programme has been developed and can be fully implemented in Ethiopia.

In addition, fellowships are sometimes provided within the forestry co-operation programmes for short courses at regional training and research centres, e.g. RECOFTC in Bangkok and ICRAF in Kenya. Transfer of technology and skills may also be effected through short courses provided by Swedish organisations.

7. PROJECT CYCLE MANAGEMENT

7.1 Prerequisites for project proposals

The ways in which Swedish development projects are generated reflect the evolution in development co-operation and practice reviewed in section 4. Swedish development co-operation over the last 30 years has been influenced both by changes in the balance between projects and programmes, and by changes in the managerial roles and responsibilities of the various actors involved. In practice this means that projects outside country programmes are generated in different ways from those covered by Country Development Co-operation Plans.

Projects administered by DIEC to provide technical assistance and the transfer of Swedish know-how are initiated by requests from prospective recipients, and can be considered by Sida only if they are within the guidelines set down for funding Swedish technical assistance (see section 3.3.2). Projects in support of research (SAREC) are also funded in response to specific requests, and again must conform with certain priorities (see section 6.1).

In order for proposals for forestry projects which are intended to form part of a Country Co-operation Development Plan to be considered, it is important that there should be a credible national policy for the sector, in terms of both commitments and the operational capacity to implement the policy. A strategy for the sector in the form of a National Forestry Action Plan (or similar) as well as intersectoral strategies (e.g. a National Environmental Action Plan) are important documents in this context. Where a policy and strategy are lacking, Sida may support their development. Sida

emphasises that the recipient country must be in charge of this process, in order to ensure its future commitment to it, and also to demonstrate its capacity to deal with strategic and policy issues on a continuing basis through planning and research at the central level (Persson, 1996).

If a country already has a convincing forest sector strategy, and a mechanism for donor coordination, Sida may provide assistance for the implementation of this strategy in areas which accord with its priorities. These are:

- natural resource management in a rural development context;
- capacity building in terms of developing research and formal training/education in forestry;
- creating an institutional framework that enables the productive and profitable commercial use of forestry for generating employment.

7.2 The project cycle

Projects and programmes, if they are compatible with whichever of these strategy frameworks and prerequisites is appropriate, are then subject to a broadly similar process of appraisal and further preparation, as follows:

- (i) The request, often supplemented by a pre-feasibility study, initiates an *idea preparation* process in Sida, which leads to an *idea memorandum*. This document either rejects the proposal/request or recommends that preparation of the project should continue.
- (ii) The next stage, now referred to as '*project support preparation*' (SIDA 1990), includes an appraisal of the project and its design. If the appraisal does not raise serious concerns, a '*project support memorandum*' is prepared.
- (iii) If the project support memorandum is approved by Sida, the final stage is the negotiation of a '*specific agreement*' to proceed with the project.

In recent years, increasing emphasis has been placed on the use of the Logical Framework Approach (LFA) to reflect the revised roles of Sida, the recipient country, and the consultants involved. The recipient country is expected to present a proposal in LFA format, which Sida appraises in the context of Sweden's development co-operation strategy for the country and Sida's policy for the forest sector. In this process the idea memorandum and the project support memorandum are supplemented with an assessment memorandum, and Sida's Project Committee will make the final recommendation to the Director-General as to whether a 'specific agreement' should be negotiated for that project.

Once there is a specific agreement, the project is regularly monitored through joint reviews. There are annual (and sometimes semi-annual) reviews, which involve the relevant local authorities and organisations and include participants from Sida's in-country representation at the Swedish Embassy and often also from headquarters. These reviews result in agreed minutes in which Sida and the relevant organisations and authorities in the co-operating country report their conclusions about the progress made by the project, and agree on any modifications and changes which may be

required. In addition, large projects usually have a more ambitious mid-term review.

Different kinds of evaluation are also carried out as part of the project cycle. Thematic evaluations focus on special components in the project, and serve the purpose of guiding the project during its implementation. Other evaluations focus on issues related to the objectives of

Swedish development assistance. These could be carried out during the life of a project as well as *ex post*, and primarily serve Sida's purposes and those of Swedish development assistance in general. Finally there are also *ex post* evaluations of individual projects, the results of which can provide valuable inputs for the preparation of new projects.

Box 2: Review of Vietnam – Sweden Forestry Co-operation Programme 1991–4

The programme (FCP) consisted of several different projects or components falling into two major categories. The first category consisted of five provincial 'Farm Level Forestry Projects' and a 'Plantation and Soil Conservation Project'. The other category was intended to be support projects for these 'implementation' projects but, to varying degrees, with rather broader scope. These projects or components covered research, training, extension, business development and land use/land management. Apart from these major categories there was also assistance for activities or components providing general programme management support. At the central level a project with the Ministry of Forestry was also included in the FCP.

The Review Team concluded that the participatory rural approach (PRA) which had been introduced had the effect of widening the scope of the **Farm Level Forestry Projects (FLFP)** to include not only forestry but also agriculture and animal husbandry, in recognition of the diversified and integrated needs of the Vietnamese farmers. The PRA resulted in the establishment of village institutions and village development plans for mobilising the resources required for land use development in terms of credits, training and inputs. The Review Team concluded that this approach to extension was not only a potential model for Vietnam but also for extension institutions elsewhere. Closely linked to the Farm Level Forestry Projects and the development methods regarding extension and village credit schemes in the provinces, was a central extension component, the 'Extension Support Group', which the Review Team found to have been much appreciated at all levels.

The **Plantation and Soil Conservation Project** which was originally set up to help ensure the supply of raw materials to the Bai Bang Pulp and Paper Mill, provided support for Forest Enterprises in the five programme provinces. Apart from assistance to these Provincial and State controlled Forest Enterprises, the project was involved in special planting activities for soil conservation and watershed protection purposes as well as high value timber plantations. The Review Team concluded that in general terms the share of planted trees for wood production was increasing at the expense of natural forest logging and that the wood balance for the programme area had improved.

The **Land Use and Land Management Project** was intended as a support for the implementation of land allocations as a result of the new land law of 1988. The Review Team concluded that a centralised system of land use planning prior to cadastral surveys and land allocation was practised and questioned whether the PRA introduced in the FLFP could be developed and applied in village-based land use planning.

The **Training Project** was considered as a valuable support for other components of the programme and had developed a capacity for organising training without the need for an external long-term technical assistance input. The difficulties

of the Training Project were related to its ambiguous position in the Vietnamese system. The Review Team also concluded that the implementation of a Human Resource Development System was 3 years overdue.

The support for research at the **Forest Research Center** already established and developed during previous phases of the FCP was considered by the Review Team as an important aid to Vietnam's capacity for research in farming systems, soil and water conservation, and commercial forest plantations. The team expressed concern, however, at the poor linkages between the Center and the rest of the FCP.

Business development, originally a part of the Plantation and Soil Conservation Project, evolved as a separate support component during the course of the programme. It was felt that with the economic transition, with the farmers becoming the basic production unit, in contrast to the previous centrally-controlled co-operatives, there would be a need for improved market information. The Review Team concluded that this component had difficulties in finding a relevant counterpart structure in Vietnam, but that the need for this kind of input from FCP had never been more urgent.

The Ministry of Forestry Projects consisted of two components, one for staff development and for improving working conditions at the Ministry of Forestry headquarters and the other for the establishment of forest ecosystem conservation models. It was not possible to implement this project as intended, partly because of overlaps with another Sida supported project the "Strategy Project", which was not part of FCP. The strategy project was working with policy development at the Ministry and in the opinion of the Review Team the two projects should have been subject to a joint review.

The Review Team found that the FCP had had considerable impact at the policy level, contributing to policy reform in forestry, extension and land reform. Also in terms of institution building (particularly regarding extension at provincial and district level) the Review Team found that the FCP had had an encouraging impact. According to the Review Team, one of the major weaknesses of FCP was its organisation. The Programme Board with representatives from the Ministry of Forestry, the General Department for Land Management and the Provincial Peoples' Committee was not functioning as required. The Review Team was also concerned at 'by pass' solutions in the programme design. Programme monitoring and reporting was also considered to be inadequate. The Review Team concluded that FCP had high relevance for development in the sector. Given the anticipated development over the next five to ten years in Vietnam with privatisation of land, increased reliance on farmers as the managers of natural resources and the concentration of public sector activities on policy, regulation, institutional and human resource development and monitoring, the future relevance of a new programme was judged as potentially even higher.

8. PROGRAMME REVIEWS

Sida seeks to use its reviews and evaluations for three main purposes: monitoring and control, learning lessons, and competence development (Sida 1995). Monitoring and control mainly assist those who are accountable to Sida's Board, to Parliament and ultimately to the country's citizens. Learning is said to be primarily for those within Sida, and those who are operationally involved in different programmes and projects. Competence development in this context refers to more general and fundamental processes regarding the potentials and limitations of development co-operation. It is primarily organisations, experts and researchers concerned with general development issues who benefit from this aspect of the evaluation and review process (Sida, 1995).

Within Sida the Department for Evaluations and Internal Audit (DEIA) has the overall responsibility for evaluating Sida's development assistance. Each year, an evaluations plan is established by the DEIA in consultation with other departments. For 1996 the plan included six programme/project evaluations, one cross-sectoral thematic evaluation, and one *ex post* evaluation. All of these were of some relevance to forestry. Of particular interest was the *ex post* cross-sectoral study which was to evaluate Sweden's support to the Bai Bang Pulp and Paper Mill – a programme that excited some controversy in the mass media during its implementation in the 1980s (Sida, 1995).

Among recent studies that have had an important influence on the direction of forestry assistance in programme countries, the 1992 evaluation of the forestry programme in India warrants particular mention. This programme basically consisted of fairly large social forestry projects in three States. One important conclusion of the evaluation was that these projects did not sufficiently involve the intended beneficiaries – poor farmers and the landless. The activities were characterised as being successful in generating employment by creating a large number of labour days in planting trees, but with little prospect of becoming sustainable social forestry activities. Furthermore, the organisational units established through the projects were judged to be relying too heavily on foreign exchange inputs, with adverse implications for both sustainability and replicability (Chaffey *et al.*, 1992). This finding led to a significant reduction of Swedish assistance to this type of social forestry project in India.

A common finding of the regular reviews and evaluations of forestry programmes over the last two decades is that their coverage has tended to gradually broaden, initially to include social forestry or farm forestry components and eventually also agriculture and animal husbandry. The programmes have therefore become more like rural development programmes within the natural resource management sector. Simultaneously, the importance of institutional development and the development of relevant policies has come more strongly to the fore. This experience has had strategic implications in that recent programme preparations in some of the programme countries have broadened considerably in approach from conventional 'forestry'. Box 2, which summarises results from the mid-term review of the Forestry Co-operation Programme in

Vietnam, illustrates this trend, as well as some country-specific findings. The new programme in that country, which formally began in 1996, is now referred to as the Vietnam-Sweden Mountain Rural Development Programme.

A thematic study with implications for forest policy and strategic planning – a priority area in Swedish forestry assistance – is the evaluation of the National Forest Inventory in the Lao-Swedish Forestry Co-operation Programme. The achievements in terms of competence development were quite satisfactory, but at the same time the project was questioned on the grounds of the insufficient institutional links to policy-making and strategic planning. This finding has apparently also been reported from similar donor-supported projects in other countries (Nilsson, 1994). Sida's response has been to try to develop approaches that will put national forest resource inventories into a wider institutional context of policy development and strategic planning.

9. CONCLUSIONS

Sweden's large forest resources provide the basis for a substantial part of its economic activity. In achieving this position, the country has acquired considerable experience in developing policies, institutions and practices to deal with a situation of both overuse and degradation of forest resources, and of subsequently harnessing them to the broader development of the local and national economy. It brings this and other aspects of its experience to bear in its assistance programme to the developing countries.

Swedish assistance to forestry attaches high priority to assisting developing countries to increase their capacity to make decisions about and to manage their forest sector. The assistance programme also encourages the integration of forestry into rural development. Another basic tenet of the assistance is that it should help create the conditions that enable forests and forest land to be used sustainably both by poor people who depend on this resource for their livelihoods and also as a source of employment and income through the development and operation of forest industries.

An important part of this is a credible national policy for the sector in terms of both the content and the processes by which policies are formulated, operationally implemented, monitored and reviewed. As a consequence, the current priorities for Swedish development co-operation are likely to concentrate support on the following three main areas:

- forestry as a component of natural resource management in a rural development context;
- capacity-building in strategic planning, policy formulation, research, and training and education in forestry;
- creating an institutional framework that enables the productive and profitable commercial use of forests on a sustainable basis.

Sweden is likely to continue to provide support through special thematic and regional programmes where there is a general need for research and methods development; where a Swedish knowledge base in the subject area already exists; and where the programme countries

supported by Sida would benefit. Areas where such support is foreseen include participatory forestry, forest regeneration in dryland areas, and measures to improve international co-operation in forestry assistance. Sweden will also continue to support international organisations active in matters relating to forestry in developing countries.

Future assistance is likely to focus on quality, and not necessarily on programmes requiring large sums of money. Development co-operation may in future include countries other than the programme and non-programme countries which presently receive assistance.

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ACRONYMS

BITS	Swedish Board for Investment and Technical Support
CGIAR	Consultative Group on International Agricultural Research
CIFOR	Centre for International Forestry Research
DAC	Development Assistance Committee
DEIA	Department for Evaluations and Internal Audit
DIEC	Department for Infrastructure and Economic Co-operation
DNRE	Department for Natural Resources and the Environment
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FAWDCA	Forestry and Wildlife Development Conservation Authority
FCP	Forestry Co-operation Programme
FLFP	Farm Level Forestry Projects
FLCD	Forestry for Local Community Development
FOREP	Forestry Regeneration Programme
FTPP	Forest Trees and People Programme
GNP	Gross National Product
HADO	Hifadhi Ardhi Dodoma
ICRAF	International Council for Research in Agroforestry
IDA	International Development Association
IPF	Intergovernmental Panel on Forestry
IRDC	International Rural Development Centre
ITTO	International Tropical Timber Organisation
IUCN	International Union for the Conservation of Nature and Natural Resources
LAMP	Land Management Program
LFA	Logical Framework Approach
NGO	Non-Governmental Organisation
OECD	Organization for Economic Cooperation and Development
PAHAL	Participatory Approach to Human and Land Resource Development

PRA	Participatory Rural Approach
RECOFTC	Regional Community Forestry Training Centre(Thailand)
SAREC	Swedish Agency for Research Co-operation with Developing Countries
SEK	Swedish Krona
SIDA	Swedish International Development Authority
SUAS	Swedish University of Agricultural Sciences
TFAP	Tropical Forestry Action Plan
TGC	Tree Growers Cooperative
UBV	Swedish NGO
UN	United Nations
UNCED	United Nations Conference on Environment and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNSO	United Nations Sahelian Organisation
WCED	World Commission on Environment and Development

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