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FROM: LYNDA CHALKER

DATE: 10 AUGUST 1989

cc PS  
PS/Mr Waldegrave  
PS/Lord Brabazon  
PS/Mr Lankester  
Mr Ainscow  
Mr Bayne  
Mr Bennett  
Mr Manning  
Mr Hudson  
Mr Buist  
Mr Ireton  
Mr Turner  
Mr Beetham, MAED/FCO  
Mr Machin

no

Prime Minister

We have been reporting regularly on our progress in implementing your undertaking of 24 October 1988 in Parliament that we would direct more of our aid to encourage the wise and sustainable use of forest resources. I have spoken to John Major and agreed with him that, in his absence from the office, I should send this latest report on progress in implementing your commitment directly to you. It covers developments since Chris Patten last reported in April, the highlight being the agreement he signed with the Government of Brazil last month.

#### Introduction

2. In 1988/89 ODA spent £7.4m on bilateral forestry aid. The initiative we have underway should increase this to about £23m a year in two or three years time (from existing resources) if we can persuade developing countries to attach the same priority to forestry that we do. We indicated in the preparations for your seminar that we felt it was possible to raise this to £70m a year in 5 years time and we think we can achieve expenditure of £50m a year in 3 years. This depends on PES decisions providing the necessary additional funds, including to cover essential extra ODA running costs.

/Bilateral Country



### Bilateral Country Programmes

3. In his last report on 3 April Chris Patten noted that we had identified 23 countries where we aim to seek new forestry commitments over the next 2-3 years. An outline of the latest progress for each country is appended. Of particular importance are the developments in Brazil, which is one of the key countries in the international forestry question, and one with which we have no traditional aid relationship. ODA's Deputy Chief Natural Resources Adviser led a team to Brazil in June and we hope this will lead to a package of assistance of at least £3m. During his visit there in July Chris Patten signed a Memorandum of Understanding for British environmental assistance, which is a necessary first step to establishing a programme. This was the first agreement of its kind the Brazilian authorities have signed with a developed country. As a result of these actions we expect the first of the new projects already identified in outline to begin before the end of this year.

4. For future assistance beyond that set out in the appendix, we have provisionally identified a smaller list of countries on which we might particularly wish to concentrate. These include India, Nepal, Sri Lanka, Indonesia, Cameroon, Tanzania, Kenya and possibly Zimbabwe. This list is not exclusive, but to be effective we will need to focus our bilateral efforts. If opportunities arise elsewhere which seem to offer the scope for particularly effective action, we will pursue them. But the list represents our current assessment of where the prospects are in principle most favourable.

### Tropical Forestry Action Plan (TFAP) and International Tropical Timber Organisation (ITTO)

5. A central part of our forestry strategy is to support and strengthen the TFAP and the ITTO. ODA's Chief Natural Resources Adviser visited Rome in June to reiterate to FAO the importance of their giving TFAP adequate support and to assess whether TFAP was putting enough emphasis with

/developing countries





developing countries on dialogue on policy and strategies towards the forestry sector. On both points we remain concerned and are considering what more we may do. We have offered, so far without response, to provide the TFAP Coordination Unit in FAO with a forester. We continue to play an influential role in developing TFAP action plans for individual countries. Meanwhile, we have asked the World Bank, in current IDA9 negotiations to play a more active role in the country policy dialogue and they have agreed to see what can be done.

6. On ITTO, the main news is that the Japanese propose to inject \$150m over the next several years. This will have a dramatic effect on ITTO, which is currently a small organisation with a professional staff of about 12. We shall need to follow the Japanese proposals very carefully. Specific modest proposals for ODA support for ITTO's activities are under consideration. These include a study with Friends of the Earth on labelling hardwoods, the possibility of funding an ITTO mission to study the forests of Sarawak in Malaysia, and possible support for ITTO in preparing guidelines on the sustainable management of tropical forests for ITTO to circulate to its members.

#### Research

7. Commitments to centrally funded, strategic forestry research in 1989/90 already exceed £1.25m compared to expenditure of £580,000 in 1988/89.

#### Commonwealth Development Corporation

8. CDC is already a significant investor in the forestry sector, with expenditure in 1988 of £3.4m, and is paying increased attention to expanding its forestry portfolio. Work is progressing on the identification of new forestry development projects, including some conservation components, in Cote d'Ivoire, Tanzania and Zambia.

/British Charities



### British Charities

9. We continue to encourage British charities to put forward more forestry projects under the Joint Funding Scheme. The block grant we announced in February of £1m for the World Wide Fund for Nature, primarily for forestry conservation, is now being spent. In June we approved a new grant of £0.2m for the International Council on Bird Preservation for a conservation project in the lowland rain forests of Thailand.

### Multilateral Aid and Other Bilateral Donors

10. We continue to press the main multilateral agencies to adopt appropriate policies and provide funding for forestry. We are paying for a forestry adviser to work in DG8 of the European Commission; we are involved with a new World Bank project in Ghana and are considering other possibilities for collaboration for example Zimbabwe. We continue to encourage other bilateral donors to devote more resources to forestry. Germany recently set aside DM250m (£80m) over 3 years for tropical forestry projects. DM100m of this is earmarked for Brazil.

### Access to Expertise

11. We have taken further steps to ensure we have the expertise to deliver the initiative. In ODA headquarters we have 3 forestry advisers (including the Deputy Chief Natural Resources Adviser). At the Overseas Development Natural Resources Institute (ODNRI) we now have 4 foresters and are recruiting 2 more (one of these is for a new post). Further strengthening of ODNRI is under consideration. We are considering the need for forestry specialist posts to assist some of our Development Divisions. The foresters among our Corps of Specialists currently number 5; we are recruiting to increase this to 11 by the middle of next year. The number of foresters among our Associate Professional Officers Scheme (APOS) has increased from 2 in 1987/88 to 4 in 1989/90.

/12.





12. We are developing our existing strong links with the Oxford Forestry Institute and have offered in principle to support their proposal to develop an international forestry research information centre and library. We shall also be considering how we might best make use of the forestry resources of other British universities, charities, consulting firms, and others.

International Political Agenda

13. In order to take forward international action on reversing deforestation and encouraging afforestation and to convince developing countries to place higher priority on the forestry sector we need to ensure that the issues figure in the appropriate high level international fora. We aim to have CHOGM, the World Bank Autumn meetings, UNGA, FAO and the Inter-Governmental Panel on Climate Change consider the forests in a way suited to their particular role in the issues involved.

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Overseas Development Administration

10 August 1989

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TARGET COUNTRIES FOR ADDITIONAL BILATERAL FORESTRY COMMITMENTS

AFRICA

- Cameroon New £1.0m (approx) practical pilot regeneration and management project expected to start later this year, deriving from existing/former research and education projects.
- Ghana New £3.7m forest management and inventory project, part of a major World Bank project and following on from completed ODA project, started in June.
- Kenya Assisting World Bank with preparation of new forestry programme due to start next year, which we will also support. Preparing to appraise project for rehabilitation of Forestry Department transport. Total cost of new initiatives might be around £4m over 5 years.
- Lesotho Considering further support to existing project to strengthen newly formed forestry division. Further new initiatives may emerge from FAO donors conference this year, notably in forestry aspects of Highlands water scheme.
- Malawi Four projects under consideration for future funding: wood energy research at Forestry Research Institute of Malawi; aphids research; women's dormitory for Malawi College of Forestry; fire fighting equipment and staff for Viphya plantations.
- Nigeria Current work on master plan for Oban hills landuse and forestry nearing completion. ODA Forestry adviser to follow up a number of new possibilities in forestry sector.
- Somalia We have prepared a new £0.8m woodland management and research project in the Bay Region and action is in hand.
- Sudan Plans to fund a £0.5m link between Khartoum and Edinburgh Forestry Departments well developed. A £0.7m project for strengthening forest research at Forest Research Centre in Soba is under consideration.

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Tanzania A community based natural woodland management and rural forestry project, ideally to be undertaken by an NGO, is under consideration. In addition a modest project to reduce deforestation along the shores of Lake Victoria by developing more efficient means of drying fish and by replanting is also being considered.

Zimbabwe ODA Forestry adviser to visit in August to consider prospects for co-financing World Bank's second forestry project and possibilities for further bilateral support.

ASIA

Burma Action frozen due to political and security situation but potential assistance with forest conservation and management in medium term.

China Depending on political situation, potential link in medium term between Oxford Forestry Institute (OFI) and suitable Chinese institution eg on tree breeding/genetics.

India Have offered to appraise further phase of Karnataka Social Forestry Project. Project identification team currently in field for major new project in Western Ghats. In April announced £40m for local costs for environment projects, primarily forestry.

Indonesia Following project identification mission in May, provision of 2 man senior management team for Minister of Forestry is under consideration. This would recommend further areas for assistance. (Indicative planning figure £1-2m pa). Feasibility study carried out for ATP project of approximately £25m for assistance with radio communications to help Ministry of Forestry ensure forest protection.

Nepal Further phase planned for the forestry research project when current phase finishes shortly. Continuing inputs to Kosi Hills community forestry programmes.

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Sri Lanka Following mission in May, £12m project for reafforestation and protection of existing forest is expected to be submitted for approval later this year.

**ELSEWHERE**

Belize Continuation of assistance in forest management and research. Further support possible pending donors meeting in December on results of ODA led TFAP review.

Brazil ODA Forestry/Environment mission in June to be followed up by preparation of package of support of at least £3m. Minister for Overseas Development visited in early July and signed Memorandum of Understanding for UK environmental assistance. Further visits by specialists from the UK institutions concerned will be made in August/September to finalise details of the projects to be started before the end of the year.

Fiji Further support to be considered after presentation to donors of TFAP in August.

Honduras New project for wood use centre has been prepared. Implementation arrangements now being discussed.

Jamaica ODA Forestry adviser to visit later this year to consider new projects and possible support for CDC activities.

Solomon Islands Increased TC and CDC involvement under consideration.

Vanuatu ODA funded Director of Forestry now being recruited.

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