

Denmark

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1. DOMESTIC FORESTS AND FORESTRY

1.1 Forest history

Denmark was covered by forests and the human population density was low until early medieval times. From the tenth century onwards the population grew and an increasing proportion of the land was cleared of forest, a process temporarily interrupted during the Black Death. The population density of 20 people per square kilometre in the thirteenth century had doubled by the middle of the nineteenth. Norway and Southern Sweden were part of Denmark for much of this time, and although population densities there were much lower, the trends were similar (Hytönen, 1995).

Livestock keeping in the forests, including pannage, the fattening of domestic swine, is an old practice in Southern Scandinavia. Slash and burn agriculture was widely practised and although it disappeared a long time ago in Denmark it was practised in parts of Scandinavia until the Second World War.

Major changes in the landscape were induced by the introduction of mining and metal industries in areas bordering on the present Denmark. Though these reduced the need for certain imports, more local processing demanded very large quantities of wood and charcoal. Another pressure on the forests was the increased export of timber. By the fifteenth century Denmark had already prohibited the export of oak for strategic reasons. By the sixteenth century wood supplies for Denmark itself were profoundly affected. The King passed six Forest Acts between 1665 and 1733 but they had little effect.

The first attempts to introduce sustained yield forestry occurred in 1762, when two German forestry experts, the von Langen brothers, were engaged by the Danish/Norwegian King. Initial attempts had only temporary effects but the ideas, once introduced, continued to be tried sporadically. By the beginning of the nineteenth century the area under forest had been reduced to 3%, the lowest in Denmark's history (McLoughlin, 1992) and over the next fifty years sustained yield principles were introduced into the majority of Denmark's forests.

The Forest Act of 1805, unlike previous Acts, was successful in preserving the remainder of Denmark's high forests. This was because coal was, by this time, increasingly used as a substitute for fuelwood and pressure on the forests was decreasing. At the same time, reforestation was beginning, primarily with the exotic species, Norway spruce. This increased forest cover to about 12% by 1995 and current Danish forest policy aims to increase it further to 25% by 2100 (MEE, 1994a). Over the last few decades, conventional forestry practice has undergone considerable change to allow more multiple-purpose forestry (Hytönen, 1995). There has also been a growing emphasis on the use of broadleaved species in reforestation programmes (NFNA, 1994).

1.2 Forest tenure and management

One third of Denmark's forest area is publicly owned, mainly by the government but also by counties and local authorities, while two-thirds are privately owned.

Individual ownership declined from 57% in 1965 to 46% in 1990, with a gradual transfer of forest land to companies, associations and foundations (NFNA, 1994).

The National Forest and Nature Agency (NFNA) within the Ministry of Environment and Energy (MEE) is responsible for the administration and enforcement of forestry legislation as well as managing the state forests. It is also in charge of conservation and the protection of the natural and cultural heritage. In collaboration with other ministries, primarily the Ministry of Agriculture and the Ministry of Foreign Affairs (MFA), the NFNA is the main policy-making unit for national and international forest policy (NFNA, 1994).

2. HISTORICAL INVOLVEMENT WITH TROPICAL FORESTRY

Danish universities have traditionally conducted research into the botany of tropical plants. This may be why the emphasis in the first bilateral assistance projects which began in the late 1960s was primarily on tree seed and genetics work. The Seed Centre in Humlebaek carried out much of the initial work on provenance trials and tree breeding. Traditional links between the Kingdoms of Denmark and Thailand meant that Thailand was one of the main recipients of this type of assistance.

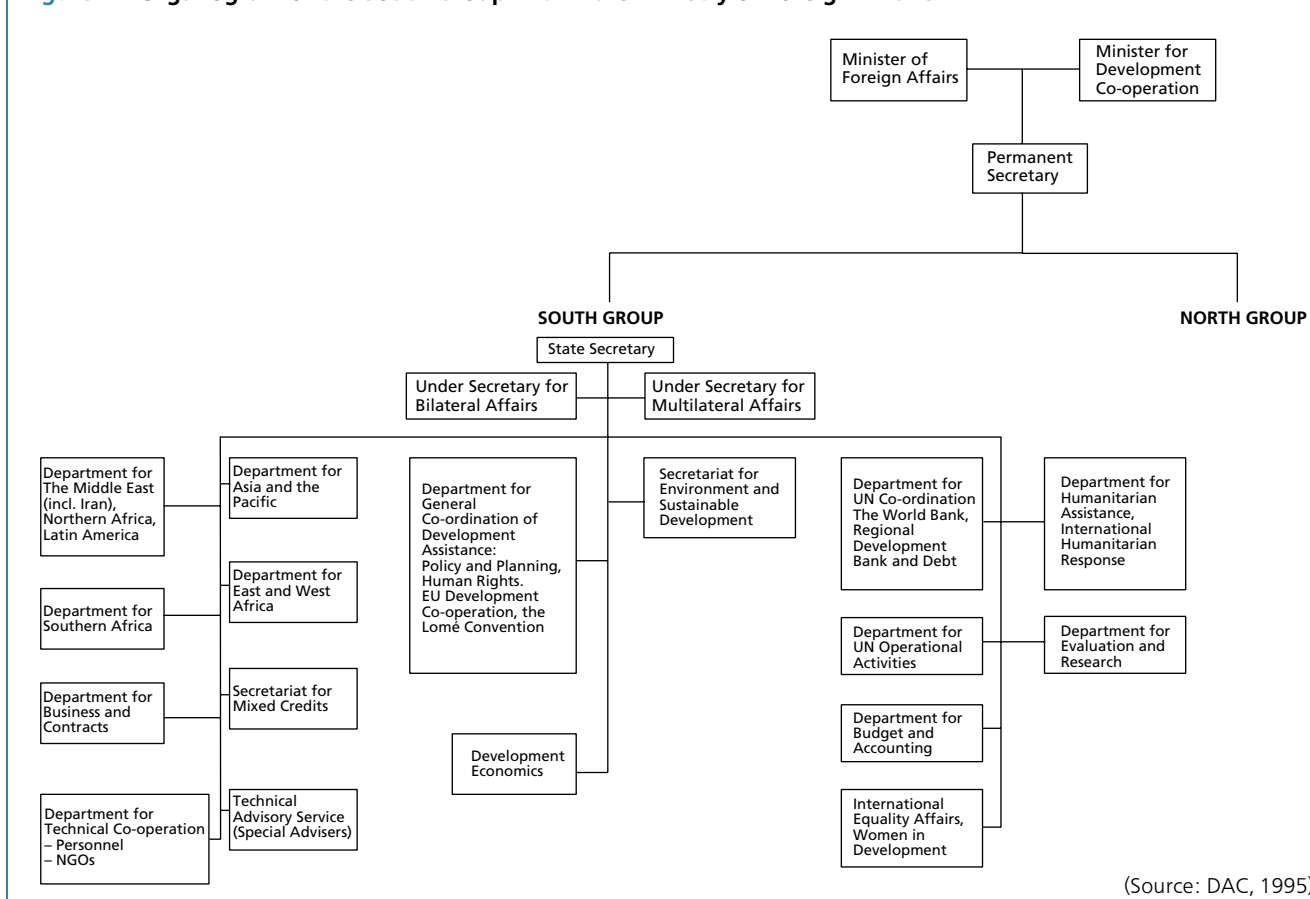
Commercial ties also existed in the past between Denmark and countries with tropical forests through the East Asian Company. However, Denmark did not have an empire and does not have the historical ties that are found, for example, between India and the UK.

3. STRUCTURE OF DEVELOPMENT ASSISTANCE DELIVERY

3.1 The Ministry of Foreign Affairs

The Ministry of Foreign Affairs (MFA) has been, to a large extent, the organisation responsible for the administration of Danish development assistance. A special agency within the MFA, the Danish International Development Agency (Danida), was responsible for development assistance until a major structural reorganisation in 1991. It was felt that the radically changed international relationships that developed after the end of the Cold War necessitated an integration of development aid with other aspects of international relations such as human rights and trade (DAC, 1995). Danida was therefore merged with the other functions of the MFA. Nevertheless, the name Danida is still frequently used, even inside the MFA. In 1993 a Minister of Development Co-operation was appointed to provide stronger leadership.

The current structure of the Ministry of Foreign Affairs consists of a North Group and a South Group. The latter is responsible for relations with developing countries and with those multilateral organisations concerned with developing countries, as well as for development assistance (see Figure 1). The most important sections of the South Group, as far as forestry is concerned, are the Regional Departments

Figure 1 Organogram of the South Group within the Ministry of Foreign Affairs

(Southern Africa, West Africa, etc.); the Technical Advisory Service (TSA); the Evaluation Service; and the Secretariat for Environmental and Sustainable Development, which has only recently been established.

Given the generalist approach prevailing elsewhere in the South Group as a result of the 1991 restructuring, the Technical Advisory Service has gained in importance (DAC, 1995). The TSA did not employ a forestry specialist until 1986, when a post with a special focus on agroforestry was created within the Agriculture Section. This remains the only forester supporting the entire Danida forestry programme. In addition, since forestry is often a part of agricultural, and more recently, environmental projects, there are other technical specialists who support projects with a forestry component. The environmental section in the TSA has expanded rapidly in recent years, growing from one environmental specialist in 1986 to four in 1995 and seven in 1996 (including one with a forestry background).

Overall, staffing levels have risen at a proportionately greater rate than the rapidly increasing bilateral oda funds they have to manage. In 1994 the South Group had about 400 staff, with a headquarters to field ratio of 2.3 (DAC, 1995). The latter has dropped from 4.2 in 1990 and is a result of the decentralisation of responsibilities from the MFA in Copenhagen to the embassies which took place in 1993 (DAC, 1995). This led to greater local responsibilities in defining programme assistance, and to a disbursement facility known as the Local Grant Authority, which allows embassies to allocate funding to projects costing DKK 3 m. or less.

3.2 The Ministry of Environment and Energy

The Ministry of Environment and Energy (MEE) has recently taken on an increasingly important role in the aid delivery system through its management of the Environment and Disaster Relief Facility (EDRF). Established as the Global Environment and Nature Fund by the Danish Parliament in 1993, the EDRF is administered by a specially created unit, DANCED (Danish Co-operation for Environment and Development), based in the Environmental Protection Agency of the MEE (see Figure 2). DANCED had 11 staff in 1994 and could also call on support from other agencies within the MEE. The National Forest and Nature Agency, in particular, provides policy guidance to DANCED through its Forest Policy Division and the Division for International Co-operation. To maintain contact with local authorities and co-operation partners in its three key areas of intervention, DANCED has established local offices in Bangkok, Kuala Lumpur and Pretoria (MEE, 1995).

3.3 Development assistance commitment

In 1993 Denmark became the world's leading donor in terms of its aid:GNP ratio, which stood at 1.03% (DKK 8,129 m.). The 1% target set by Parliament in 1985 for the year 1992 onwards was thus achieved (DAC, 1995). The increasing trend in official development assistance (oda) (Figure 3) has been facilitated by a revolving five-year planning procedure in which expenditure frames are submitted once a year to parliament by the Government (DAC, 1995). Danish policy ties aid in one specific respect: 50% of the budget overall must be

spent, directly or indirectly, in Denmark (Danida, 1994a).

The EDRF fund is in addition to the aid administered by Danida and the MFA. Beginning with a budget of just over DKK 200 m. in 1994, the EDRF is due to grow to 0.5% of GNP by the year 2002, with funds being allocated annually in the national budget. Within the EDRF, allocations for the environment and for disaster relief are roughly equal, with half the environment funds going to Central and Eastern Europe and half to developing countries (MEE, 1995).

From 1996 different policies and administrative systems have been applied to EDRF funds, with 80% of the annual increments in the EDRF being administered by Danida and 20% by DANCED with the aim of reaching a situation in which 60% of the funds are administered by Danida and 40% by DANCED. Danida will administer the funds disbursed in its programme countries and DANCED in those countries with a GNP above the limit for bilateral development assistance (see section 4.1.1) (Danida/DANCED, 1996a).

3.4 Multilateral assistance

Denmark gives high priority to the multilateral development activities of the United Nations system, the international financial institutions, and the European Union development programme. As a general rule, Danish development assistance is fairly equally divided between multilateral and bilateral assistance. In 1994, multilateral aid amounted to DKK 4,091 m. or 42% of total oda (MFA, 1995).

The 1994 Strategy (see section 4.1) highlighted the Government's intention to move away from the principle of burden-sharing on the basis of established contribution patterns to a more selective form of support often referred to as 'active multilateralism' (Danida, 1994a). Those multilateral institutions whose activities are of high quality and which correspond to Danish priorities will be especially favoured. The process of selection is based on assessments of efficiency and effectiveness of the relevant institutions, which Denmark undertakes alone or jointly with other donors (DAC, 1995). Currently UNDP receives considerable support from Danida and Denmark is its third largest contributor (US\$ 90 m. in 1994). Other major recipients are the World Bank Group and the European Union development programme, which accounted for 6.2% of Denmark's total oda in 1994 (MFA, 1995). With respect to the EU, the Danish position is that the Commission should act more as a sixteenth donor than as a supra-national actor with a mandate to coordinate and influence the individual aid programmes of the Member States (Olsen and Udsholt, 1995).

In the environmental field, Danida has allocated DKK 135 m. annually for global environmental initiatives. The largest contribution has been given to the Global Environmental Facility, UNEP, and to UNDP's 'Capacity 21' initiative (Danida/DANCED, 1996a).

3.5 The Danish 'resource base' and NGOs

The 1994 Strategy (see section 4.1) emphasised the intention to make better use of the 'Danish resource base' (Danish civil society) in the development co-operation programme. The 'resource base', which includes non-governmental organisations (NGOs), the

Figure 2 Structure of DANCED organisation

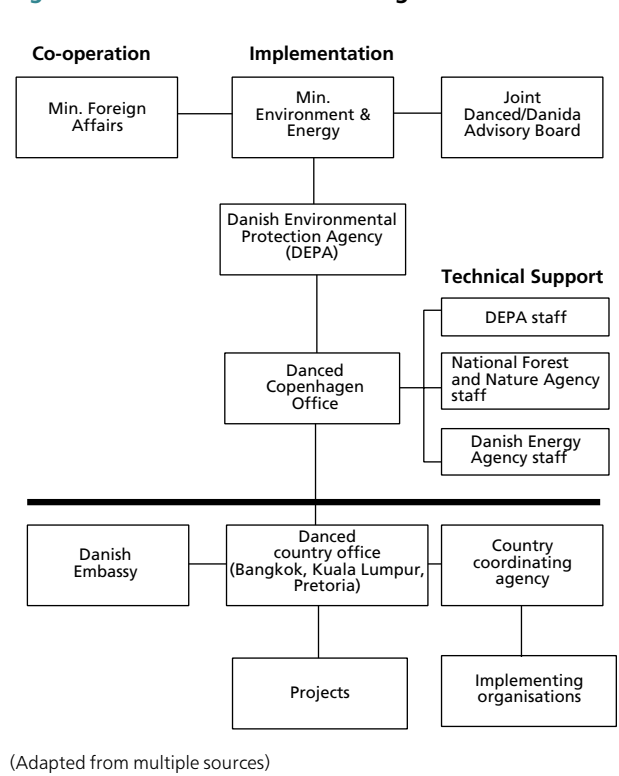
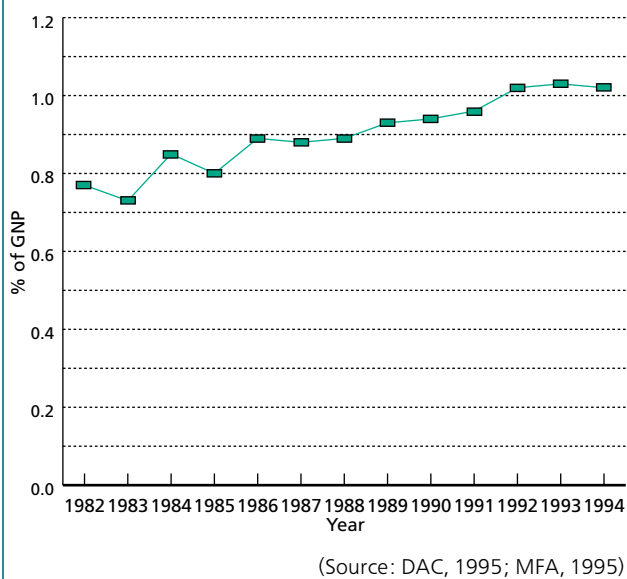


Figure 3: Aid disbursements as a proportion of GNP, 1982–94



business community, trade unions, universities and volunteers, will be more involved in the planning and implementation of aid projects, and 'twinning' arrangements between Danish institutions and counterparts in developing countries are being promoted. It is believed that greater involvement of the Danish resource base is likely to increase the returns from Danish aid.

Of particular importance are NGOs, which are considered to play a vital role in raising awareness of development issues and thus contribute to the positive image of development co-operation among the Danish public and to the general acceptance of high levels of Danish aid to developing countries. NGOs are often invited to comment on draft Danida policies and

strategies (DAC, 1995) and a number of NGO-organised fora, such as the '92 Gruppen' and the 'ANR Resource Base', exist although the level of their influence on Danida policy is not yet apparent.

More than 100 NGOs a year receive funds from Danida to support projects in the Third World. However, four of these (the Red Cross, DanChurchAid, the Danish Trade Union Council for International Development Co-operation and Ibis) received about 60% of all Danida funds disbursed through NGOs in 1992 (Danida, 1994b). Danida has entered into framework agreements with these organisations as well as with CARE-Denmark which signed a project agreement in January 1996 and has since become the major recipient of funds for forestry among the NGOs. The framework budgets vary between DKK 35 and 125 m. per year and are intended to facilitate NGO planning, strengthen dialogue between NGOs and Danida and reduce the administrative workload (MFA, 1995).

The 1994 evaluation of the NGO framework agreements (Danida, 1994b) reported, however, that various of their objectives had not yet been met. A more coherent planning approach had not yet been worked out, and activity plans were generally based on an *ad hoc* project approach. The bulk of funding was used for large traditional projects, rather than small innovative ones. Those NGOs with local representation were judged better able to enter into dialogue with host organisations and to monitor activities closely. NGOs operating via an international structure were found to rely mainly on the capacity of this structure to provide proposals.

In addition to longer-term frameworks, a system of 2-year mini programme agreements ensures flexible funding arrangements for networking NGOs dealing with small projects and many different local partners. Finally, a large part of the funds channelled through NGOs is still constituted by single projects for which applications are processed twice a year. Danida contributes 7% to NGO administrative costs and, since 1995, NGOs have no longer been required to fund part of project expenses (DAC, 1995).

As shown in Table 1, overall about 17% of bilateral aid is currently disbursed through NGOs. DANCED is also becoming an increasingly important donor for NGO projects in the environmental sector. How much of the aid channelled through NGOs is dedicated to tropical forestry is not known, however. CARE-Denmark is the only Danish NGO that concentrates its programme on agriculture, forestry and natural resources. Projects encompass watershed development, agroforestry and integrated development. The strength of this organisation appears to lie in the international CARE system which provides administrative back-up and the expertise which many other NGOs lack (CARE Denmark, 1995). The strategy pursued under its

framework agreement with Danida appears to be a hybrid of Danida policies and strategies and those of CARE International. Several other NGOs, such as WWF Denmark and Nepenthes have rapidly growing natural resources conservation programmes.

4. TROPICAL FORESTRY DEVELOPMENT POLICIES

4.1 The 1994 development strategy

Danish development assistance is based on Regulation No. 297 of 1971 which states that:

The objective of Denmark's official assistance to developing countries is, through co-operation with governments and public authorities in these countries, to assist endeavours aimed at achieving economic growth, thereby contributing to ensuring social progress and political independence, in accordance with the aims and principles of the United Nations Charter and, in addition, through cultural co-operation to promote mutual understanding and solidarity (Danida, 1994a).

This regulation has been updated at various times but the most important policy document currently referred to is *A Developing World. Strategy for Danish Development Policy Towards the year 2000* published in 1994 (Danida, 1994a), and hereafter called 'the Strategy'. This emphasises that the country's development policy encompasses all Denmark's relations with developing countries, economic and political as well as multilateral and bilateral. Poverty alleviation is highlighted as the fundamental principle of Danish assistance to be achieved through socially balanced and ecologically sustainable economic growth, and development of the social sector based on popular participation. It identifies sectoral priorities and cross-cutting themes (see below). Furthermore, the Strategy recognises that international relations have changed completely since the end of the Cold War, resulting in changes in regional focus of development assistance (see section 4.1.1). Finally, it underlines the need for greater involvement by non-governmental actors in the formulation, organisation and implementation of Danish assistance efforts (Danida, 1994a).

4.1.1 Regional priorities

In the past, the geographical distribution of Danish aid has varied considerably. In 1989 a Plan of Action increased the number of programme countries to 25 (Olsen and Udsholt, 1995), with the number being reduced again to 20 by the 1994 Strategy (Danida, 1994a). Programme countries receive special Danish

Table 1: Growth in the NGO share of total bilateral development assistance

	1987	1988	1989	1990	1991	1992	1993
DKK m. to NGOs	367	393	579	524	556	714	755
% of bilateral aid	12	14	17	15	14	18	17

(Source: Danida 1994b)

assistance and much higher levels of aid than non-programme countries. Minor changes in priority occur from time to time. Recently, for instance, Ethiopia was taken off the list and replaced by Malawi. In 1995 there were 13 programme countries in Africa (Benin, Burkina Faso, Egypt, Eritrea, Ghana, Kenya, Malawi, Mozambique, Niger, Tanzania, Uganda, Zambia and Zimbabwe), 5 in Asia (Bangladesh, Bhutan, India, Nepal and Vietnam) and 2 in Latin America (Bolivia and Nicaragua). For most of the remainder of the 96 developing countries which received official assistance in 1992–3, project aid is due to be phased out by 1999 (DAC, 1995).

The selection of programme countries is first and foremost based on the poverty criterion. The 20 countries selected include the 11 poorest and all except one fall within the poorest category, defined in 1993 as having per capita incomes of less than US\$ 1,765 per year (DAC, 1995). Traditionally over 90% of Danish bilateral assistance is allocated to the poorest countries, well above the DAC average (DAC, 1995).

Democratisation and human rights are relatively new criteria for the allocation of aid. Persistent inadequate performance in this area by previous programme countries, e.g. Kenya, has led to a reduction in their aid (DAC, 1995). Other criteria include the possibility for dialogue with the recipient country concerning socially just and ecologically appropriate development; the ability to ensure a central role for women in the development process; Danida's experience with bilateral assistance; and the possible use of Danish goods and services, assuming their competitiveness (Danida, 1994e).

Today, as in the past, over 60% of Danish aid is allocated to Africa south of the Sahara, with Tanzania and Uganda the major recipient countries. In 1993 Danish aid disbursed to these two countries made up 13% of the total aid they received from all the member states of the DAC (OECD's Development Assistance Committee), reflecting clearly the kind of leverage that Danish development co-operation may have in some of its programme countries (DAC, 1995). Asia is the second most important recipient region for Danish aid, receiving 23% of bilateral aid in 1993 (DAC, 1995).

Apart from programme country funding, special Danida funds exist which are disbursed to both programme and non-programme countries. They are for mixed credit programmes; transitional assistance; private sector development; human rights and democratisation; and support through NGOs.

Environmental assistance funded under the EDRF is not restricted to programme countries in the same way that Danida's development assistance is. On the contrary, its initial focus has been on the more affluent developing countries in which economic development is often given a higher priority than the environment (MEE, 1995). Thus, EDRF funds have been concentrated in South-east Asia (particularly Thailand and Malaysia) and, to a lesser degree, in southern Africa.

4.1.2 Sector programme support

The 1994 Strategy requires that a strategy be drawn up for each programme country, identifying 2–4 sectors in which traditional project assistance will, as far as possible, be concentrated. Individual project assistance

will gradually be phased out in favour of Sector Programme Support (SPS). A sector is defined as a distinct and coherent set of activities in terms of institutions, policies and finances (Danida, 1996d). Sectors can be economic sectors (agriculture, industry, transport, etc.), but can also be cross-institutional and/or thematic. Examples of cross-cutting sectors include the Democratisation and Human Rights Programme, the Environment Programme and the Women in Development Programme (Danida, 1996c).

Country strategies and the relevant SPS will provide a longer time framework for broad Danish assistance. The starting point is a national sector policy framework identifying those areas to which Danida can most usefully contribute, along with other donors. The frameworks are not blueprints, but will be subject to continuous policy dialogue. SPS assumes that recipient institutions take on a greater share of responsibility than is normally found in project assistance, and aims to minimise the effects of 'project (or donor) islands'. It also seeks to improve donor coordination and co-operation, and reduce the negative effects of competition between projects funded by different donors (Danida, 1996d).

A major feature distinguishing Sector Programme Support from traditional project assistance is its focus at national level. Another feature is its sectoral focus. As a small donor, Denmark can hardly influence large sectors or several sectors at a time, and needs to concentrate its support if it wants to enter into substantial policy dialogue. This focus on particular sectors may have a negative impact on the holistic nature of many forestry-related interventions supported to date. On the other hand, SPS may address many of the 'externalities' which have often reduced the impact and sustainability of conventional forestry projects.

Agriculture has been selected as a priority sector in 15 of Denmark's 20 programme countries. Forestry, agroforestry and natural resource management will be integrated into the agricultural sector in Eritrea, Kenya, Tanzania, Niger, Burkina Faso, India and possibly Malawi. In Nepal, forestry and natural resources will be a separate priority sector, while the environment sector will be prioritised in Egypt, Bhutan and possibly Nicaragua. While this selection is preliminary and changes are likely, it tentatively indicates that forestry-related matters will continue to be an important component of the agricultural sector under Sector Programme Support.

Some additional project assistance is possible for pilot projects of limited duration. Certain forms of bilateral assistance such as for private sector development and assistance channelled through NGOs will not be in the form of Sector Programme Support.

4.2 Tropical forestry development co-operation

4.2.1 Background

Concern for the environment has become a pronounced feature of Danish society, and thus an important characteristic of Danish development assistance over the past decade. The only major European Union institution in Denmark is environmental (the Environmental Protection Agency). Nordic concern for the

environment first came to international prominence at the 1972 Conference on the Environment in Stockholm. The World Commission on the Environment and Development chaired by the Norwegian Gro Harlem Brundtland published its report *Our Common Future* in 1987 (WCED, 1987). This report aroused a great deal of interest in the Danish Parliament, and in May 1987 it approved a resolution directing Danida 'to prepare an action plan to strengthen the efforts of environmental rehabilitation and natural resources conservation' (Danida, 1988b; Danida/DANCED, 1996a; DAC, 1995).

The Danida *Action Plan for the Environment* was published in 1988 (Danida, 1988b), and six sectoral plans and five country profiles were published in 1988–9. The most important sectoral plans as far as forestry is concerned are *Environmental Issues in Dryland Agriculture* (Danida, 1988a) and *Environmental Issues in Agriculture in Humid Areas* (Danida, 1989) (see section 4.2.2). Although planned, a forestry sector Action Plan was never completed. The 1996 evaluation of the Action Plans is discussed in section 8.

During the time leading up to the 1992 UN Conference on Environment and Development (UNCED), a great deal of interest in tropical forests was aroused among the Danish public and in the political system. The government report, *Sustaining the Tropical Forests, Government policy for a Danish Contribution*, published in February 1992, highlights the importance of sustainable tropical forestry arguing that Denmark has few opportunities to influence the management of tropical forests apart from collaboration through development assistance (MFA, 1992). The Forest Declaration of UNCED was widely discussed in the Danish Parliament, and the government was urged to seek an expansion of the declaration into a legally binding document.

At the Helsinki Conference of June 1993, the Signatory States committed themselves to the preparation and implementation of national guidelines on sustainable forest management. As part of this commitment it was decided that, rather than limiting the issue to tropical forests, Denmark should also have a strategy to conserve its own natural forests, although less than 1% of the country's forests are considered natural. This led to the publication of a *Strategy for Natural Forests and Other Forest Types of High Conservation Value in Denmark* by the Ministry of the Environment (MEE, 1994c). Among other things, the strategy proposed a doubling of the area of forest to around 25% by 2100 (see section 1.1).

Environmental issues in development assistance were further strengthened by the incorporation of Environmental Impact Assessments (EIAs) into the project cycle. A new guide for the application of EIAs was published in 1994 (Danida, 1994d), the number of staff in the environmental section of Danida's technical service was increased, and EIA training was provided at various levels in the organisation (Danida, 1996a).

4.2.2 Action Plans on environmental issues in agriculture

In the 1960s and 1970s Danida's bilateral assistance to forestry was very low, although a significant degree of support was made available through funds-in-trust

assistance. The relatively strong tree-seed activities in Danish forestry are probably one of the main reasons why Danida supported work on tree seed and genetic resources from the late 1960s onwards, albeit at modest levels. Agricultural support, narrowly focused on the supply of inputs and technical assistance, was the key component of Danish aid at this time (Danida, 1996a).

By the late 1980s this had changed. The two *Environmental Issues In Agriculture Action Plans* (Danida, 1988a, 1989), one for semi-arid and arid regions and one for humid areas focused to a considerable extent on forestry and agroforestry assistance. Both recommended the following specific forestry-related interventions:

- more support for forestry and promotion of multi-purpose tree planting and management, and rural tree planting such as woodlots and shelterbelts;
- more emphasis on an integrated cross-sectoral approach focusing on ecologically appropriate farming, integration of leguminous trees, alley farming, incorporation of trees in the farming system, increased assistance for soil and water conservation projects, with the incorporation of forestry or agroforestry;
- improved efficiency in wood energy conservation;
- on communal or government-owned land, focus on the use of a community participation approach to achieve increased conservation of forests and woodland (particularly genetic resources) and the sustainable use of rangelands.

The Action Plans urged the use of a process approach to development instead of the previous blueprint approach, thus allowing a greater degree of flexibility. Improved participation was to be promoted through prioritisation according to local knowledge and local needs. Experimentation should be encouraged and more self-help was advocated instead of transfer of technology and input delivery. Increased local participation in project planning and monitoring was also recommended.

During the second half of the 1980s and the early 1990s a number of forestry and integrated resource management projects were initiated. These took a more holistic approach in line with international trends in agriculture and forestry assistance.

4.2.3 Sector policy on forestry and agroforestry

In 1995 the first *Forestry and Agroforestry Sector Policy Paper* (Danida, 1995a) was published. The main focus of future assistance in forestry and agroforestry would be in three areas: natural resources management, especially in relation to rural development forestry and watershed management; forest seed procurement and conservation and tree improvement; and forest conservation and the conservation of biodiversity. The policy paper further specified that Danida support would be undertaken within existing national planning frameworks like the Tropical Forestry Action Plan or Tropical Forestry Master Plan. It reiterated the various principles of the overall Danida strategy (Danida 1994a) concerning capacity building, active local participation, sustainability and the need for long-term commitment.

The forestry and agroforestry policy paper highlighted the following specific objectives (Danida, 1995a):

- increased production of biomass including timber and non-timber forest products in addition to improvements in agricultural production through forestry, agroforestry and soil and water conservation;
- strengthening of institutional policy and strategy formulation capacities;
- improvement in forest management and conservation systems through better use of technology and increased local participation;
- increased revenues from forestry for local communities and local and national authorities;
- provision of modalities for joint forest management;
- improved nutrient and water balance in agricultural production systems;
- rehabilitation of degraded land through tree planting;
- promotion of active multilateralism in support of the global debate on tropical forests.

The policy paper is a sizeable document (72 pages plus annexes) which takes in almost everything mentioned in the 1988/89 Action Plans with respect to forestry and agroforestry. Nevertheless, the emphasis differs and recent issues have been incorporated. A notable difference concerns the strong emphasis on tree seed and genetic resources in the 1995 paper, along with the need to involve the Danish resource base. It consequently puts more emphasis on the Danish tree seed programme. This policy focus had, in fact, already been in effect for a number of years as illustrated by the very high proportion of tree seed projects supported through bilateral forestry assistance (see section 5.3).

As already noted, the Action Plans put considerable emphasis on a process approach to the development of project assistance, with the accent on flexibility, local knowledge and integrated and participatory approaches. The forestry and agroforestry paper does not highlight these issues to the same extent. On the other hand, it has incorporated recently emerging issues such as active multilateralism and tropical forests, and various matters emerging from the new sectoral programme support approach.

4.2.4 EDRF strategy

The environmental half of the EDRF funds were originally targeted at four sectors: cities, forests, biodiversity and coastal zones; with funds to be shared roughly equally between the 'brown environment' and the 'green environment'. In 1996 Danida and DANCED jointly prepared a new environmental assistance strategy for the EDRF, the main features of which include: promotion of the environmentally sustainable utilisation of natural resources and the conservation of nature; prevention and limitation of air, water and soil pollution; and promotion of the sustainable use of energy (Danida/DANCED, 1996a). The target areas for funding have been expanded to include urban development and industrialisation; the sustainable use of energy; agriculture; water resources; forests and wood resources; biological diversity; and coastal zones. With-

in these areas, six forestry-related themes have been identified: energy, including wood and other forms of biomass energy conversion (stoves, etc); agriculture, including sustainable farming; water resources, particularly with respect to watershed protection; forest and wood resources; biodiversity, due to the importance of forests in the selected regions; and coastal zones, with a focus on mangrove forest management.

In addition to some of the points already in the forestry and agroforestry policy paper (see section 4.2.3), this strategy particularly highlights the cross-sectoral, holistic nature of forests and forestry. This is witnessed by the fact that the strategy proposes support for many forest-related activities in sectors other than forestry itself.

To complement their general strategy for environmental assistance, Danida and DANCED have also produced a joint regional strategy for Southern Africa (Danida/ DANCED 1996b). A similar strategy is being prepared for South-east Asia. Within the EDRF, cross-boundary problems are considered a particular priority; consequently environmental problems prioritised by several neighbouring countries will be supported preferentially. In the Southern African region, three of the four priority problems identified are forestry-related, namely:

- agriculture and woodland/forest management, notably deforestation, soil deterioration, loss of water resources and of biodiversity;
- environmental problems in coastal areas, including destruction of mangroves;
- environmental problems related to energy supply, including greenhouse gas emissions and deforestation.

Support for sustainable forest and agricultural management, including agroforestry and sustainable use of forests by neighbouring communities, was also highlighted as was support for integrated coastal management, with an emphasis on management structures.

4.2.5 Draft agricultural policy

Forestry-related activities have often been funded under the broader agricultural umbrella. The agricultural sector evaluation in 1993–4 (Danida, 1994c) concluded that Danida has increasingly supported forestry and land-use/watershed management projects in marginal lands, but that it has been difficult to achieve its objectives. It argued that trade-offs exist between poverty alleviation and environmental improvement, and suggested that more emphasis needs to be put on areas of high agricultural potential. It also suggested that drylands will require subsidies which governments can afford only if a surplus is produced in high potential areas. It noted, however, that the Danish resource base to support dryland programmes is not strong.

The draft Agricultural Sector policy paper (Danida 1996b) does not argue clearly for or against support to areas of low agricultural potential, but emphasises the poverty orientation of Danish assistance. Nevertheless, many of the strategies mentioned revolve around the type of productive agriculture more frequently found in high potential areas. It also notes that support will primarily be given where Denmark has a comparative advantage, which, if the conclusions of the agricultural

sector evaluation are accepted, is not in drylands agriculture.

To date, Danida's agricultural support has been characterised by a sizeable programme in watershed development and soil and water conservation, which constitutes an important part of its total forestry programme. The draft Agricultural sector policy aims to promote the transformation of agricultural support into support for Sector Programmes, in line with the general 1994 Strategy. Future co-operation in the sector will generally be concentrated on a specific sub-sector (particularly smallholder crops and livestock) or on a government support service, at the expense of assisting individual projects (Danida, 1996b). When this comes into effect, it will greatly change the nature of Danish support to agriculture. Many of the more holistic projects initiated under the pressure of the environmental concerns of the latter half of the 1980s, as expressed in the Action Plans, may therefore terminate or change considerably.

The Agricultural sector policy recognises the existence of the Forestry and Agroforestry policy, but also contains a section on agroforestry in which it emphasises the need for research and development in agroforestry intercropping, implying an experimental rather than implementation status. Farmer tree planting programmes, such as woodlots, will be supported in the agricultural sector if they lead to increased production and incomes, and have an advantage compared with alternative land uses. In spite of significant past support for agroforestry and farm forestry in the agricultural sector, the draft policy makes only a fairly cursory reference to these activities.

4.3 Conclusion

Danida's policy discussions in forestry-related sectors appear to be lively. On the one hand, its Sector Programme Support orientation will move the level of its interventions from watershed and local tree planting projects to national-level institutions. Sub-sector support will inevitably require a narrowing focus of assistance, since it is argued that a relatively small donor like Danida cannot provide significant support to many sectors at a time. This will differ from the broader, more holistic aid characteristic of existing district-level projects. It will also prioritise investments in regions in which the Danish resource base is strong, which is apparently not the case for drylands. On the other hand, Danida's overall strategy clearly prioritises poverty, which is particularly relevant in the drylands.

The greatly increased Danish support for the environment through EDRF funds has given increased weight to environmental issues. As a consequence, cross-sectoral approaches are emphasised as a characteristic of environmental support (Danida, 1996a).

5. REGIONAL AND THEMATIC DISTRIBUTION OF FORESTRY PROJECTS

No comprehensive inventory of forestry and forestry-related projects exists. The data presented in the following section have, therefore, been calculated on the basis of a number of different sources. These include

Danida's agricultural sector evaluation (Danida, 1994c), which only provides pre-1994 data; and the environmental sector evaluation (Danida, 1996a), which is limited to 10 out of the 20 programme countries. In line with DAC guidelines, project-specific aid to multilateral organisations (funds-in-trust) has been included as bilateral aid, although it is counted as multilateral aid by Danida.

To cope with the fact that much forestry assistance is in fact provided under a different guise, it was decided to include all projects, the titles of which clearly indicated their forestry or agroforestry nature, including tree seed projects. In addition, all integrated projects or natural resources management projects were included if they had one or more of the following specifications: tree seed; agroforestry; shelterbelts; sawmills; forestry; tree planting; nurseries; or if presented as natural resources management in combination with vegetation, degradation, ecological monitoring, and energy. However, consultation with Danida's technical advisers led to the exclusion of some projects due to their minimal level of forestry-related components.

5.1 Volume of funding

The agricultural sector, including forestry, was important in the early 1980s, accounting for 30% of total Danish bilateral assistance. By 1994 its share had dropped to about 15%. Agricultural assistance is expected to increase to 20% of total bilateral aid by 1999, although real changes are probably less distinct since these figures have been influenced by changes in classification (Danida, 1996a).

A relatively small number of projects involving forestry fall under the remit of the forestry desk. In 1993 only about 1% of the overall Danida budget was devoted to specific forestry activities, a surprisingly marginal amount in view of the emphasis of the Environment and Development Plan of Action (Danida, 1988b) on loss of vegetative cover and biodiversity (Danida, 1996a). However, this does not take account of the complexity of forestry-related funding in Danida, and many integrated projects have a significant forestry component.

An analysis of the number of Danish projects in tropical forestry (forestry alone and those with a forestry component) initiated during the period 1965–95 and funded by Danida or DANCED suggests that forestry, in its broadest sense, is a sector of growing importance (Figure 4).

In terms of project size, forestry projects funded in the 1980s, in particular those supported under funds-in-trust programmes, tended to have fairly large budgets relative to the more modest projects initiated recently, especially those funded through NGOs and DANCED.

5.2 Regional distribution of forestry projects

The geographical emphasis of Danida is clearly on Africa which currently receives 63% of all forestry and agroforestry project assistance, followed by Asia and Latin America (Table 2). The regional distribution of integrated projects with a forestry component (e.g. watershed development, soil and water conservation, and environmental protection projects) also follows this

pattern, with the emphasis on Africa (65%), then Asia (30%) and Latin America (5%) (Danida, 1995b).

The EDRF also constitutes an important source of forestry funding. In 1994 and 1995 two countries, Malaysia and Thailand, were the main recipients of the 25% of the EDRF destined for environmental support to developing countries (MEE, 1995). From 1996, an increased number of countries in South-east Asia as well as countries in southern Africa have received assistance from this rapidly growing fund (DANCED, 1996; Danida/DANCED, 1996a).

5.3 Thematic distribution of forestry projects

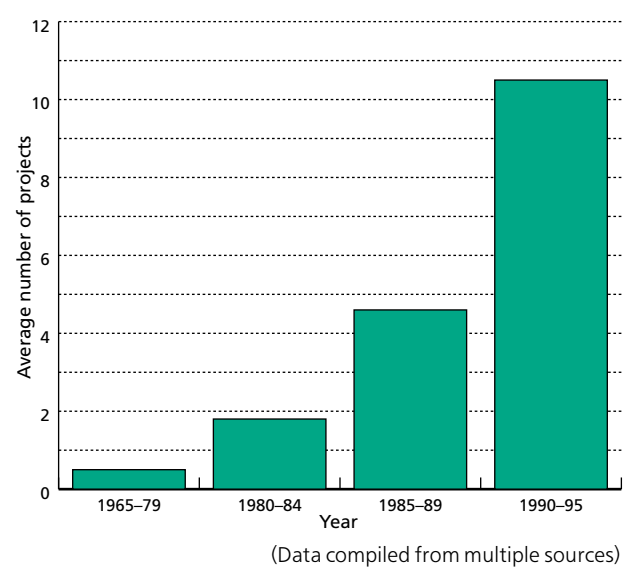
Taking into account all allocations up to mid 1995, tree seed projects are found to have been heavily supported by Danida, constituting 33% of all bilateral forestry-related assistance. Agroforestry support is more modest at 18% of the bilateral projects, but the distinction between agroforestry and other rural development forestry is rarely clear.

Funds-in-trust forestry assistance has been a relatively important feature of overall Danish support to tropical forestry, in particular by means of projects started in the 1980s through the United Nations Sudano-Sahelian Office (UNSO). Tree seed is a minor component in this form of forestry assistance, but agroforestry has greater significance (29% of all funds-in-trust forestry assistance). However, funds-in-trust assistance is being phased out by Danida.

Danida's total support to the forestry subsector to date amounts to around DKK 1,225 m. Total support to integrated projects with an incorporated forestry component is DKK 1,161 m., although it is not possible to specify what proportion of the latter was directly used for forestry activities.

Since 1994 DANCED has allocated DKK 83 m. to forestry and agroforestry projects and DKK 148 m. to projects which include a forestry component. This may not seem a large amount, but almost all projects were initiated in 1995 and many more continue to be identified.

Figure 4 Average number of forestry-related projects initiated each year



6. RESEARCH

Danida has supported research in forestry-related matters primarily through international institutes, and through research carried out in individual projects. The Consultative Group on Agricultural Research has been supported, particularly ICRAF and CIFOR, as well as CATIE, and international institutes such as ITTO and UNSO (Danida, 1994e; 1995b).

Applied research in tropical tree seed and genetic resources has been supported since 1965 through the Danish/FAO Tree Seed Centre, which became the Danida Forest Seed Centre in 1981 (DFSC, 1981). Botanical research has been carried out throughout this period by botanical institutes. A great deal of applied research has been undertaken by individual Danida projects but information is scattered and the quality varies. However, innovative and thorough research has been carried out in various cases (Wardell, 1996).

Table 2 Regional distribution of Danida's forestry assistance, 1965-95 (DKK m.)

		Africa	Asia	Latin America	Denmark	Total	%
BILATERAL	Tree Seed	58.2	14.7	48.7	82.3	203.9	16
	Agroforestry	24.9	19.5	68.0	–	112.4	9
	Other forestry	126.5	109.3	66.1	–	301.9	25
FUNDS-IN-TRUST	Tree Seed	36.7	–	–	–	36.7	3
	Agroforestry	178.8	–	–	–	178.8	15
	Other forestry	352.6	39.1	–	–	391.7	32
Total		777.7	182.6	182.8	82.3	1225.4	100
%		63	15	15	7	100	

(Data compiled from multiple sources)

7. PROJECT CYCLE METHODOLOGY

Until recently, a classic project set-up has been followed, but the 1994 Strategy (Danida, 1994a) requires that the majority of bilateral assistance be provided through programme aid. This has consequences for project cycle methodology, with inevitable upheavals in the aid administration during the transition. Despite the heavy emphasis on programme assistance, major changes in the implementation of development programmes were not effected in 1995. Less than 5% of bilateral aid in that year was executed as programme aid, whilst most of the funds were disbursed through projects. The conventional project cycle methodology is likely to remain important in Danida for some time.

In 1985 some headquarters staff attended a FAO workshop on the logical framework. Discussion was raised about its application in Danida, and since 1989 the logical framework approach (LFA) has become a standard tool in its bilateral programme. Further adjustments have been made regularly and the most recent guide dates from 1996 (Danida, 1996c). The recent changes were made to address the concern that the LFA has sometimes become a straitjacket, unsuitable for the participatory development approach Danida wishes to encourage.

7.1 The project cycle

The project cycle methodology for forestry is identical to that of all other sectors in bilateral assistance. Three stages are characteristic: preparation, implementation and completion, with the project preparation phase prescribed in most detail. A detailed project management manual (DANCED, 1995) has been prepared for DANCED, based on a series of guidelines produced by Danida.

The stages of project preparation often include (Danida, 1993b):

- identification;
- feasibility study, which may be preceded by a pre-feasibility study;
- appraisal, which may be preceded by a pre-appraisal;
- tendering;
- project document;
- financial approval procedures.

The role of the embassy has increased since the decentralisation policy took effect. In particular, project identification, feasibility study and appraisal, as well as implementation and completion, depend to a large extent on initiatives taken at the embassies. Furthermore, the project cycle described below does not apply to projects with a budget of less than DKK 3 m., which are funded from the Local Grant Authority and are entirely an embassy responsibility.

7.1.1 Project identification

Project identification is defined as the identification of the major development problems in a given geographical area, along with possible solutions in the form of a project proposal. The emphasis should be put on key problems that the recipient country wishes to address,

and aimed at those target groups that Danida can support. Proposals are screened in the light of country and sectoral strategies, projected financial allocations and risks. Preparatory studies are undertaken to improve the understanding of problems and possible solutions contained in the proposal. Consultants may be contracted to do part or all of this work. The studies lead to a decision to reject the proposal, or to move on to the feasibility study stage.

The objective of the feasibility study is a detailed multi-disciplinary examination of the project proposal, including its technical, economic, social, ecological and institutional aspects, and the sustainability of the project. External consultants are normally contracted. If the study finds the proposal feasible, a draft project document is produced.

7.1.2 Project appraisal

The project appraisal is a professional evaluation of the project proposed, after the various studies have been completed and before presentation to the financial authorities, with the aim of ensuring rational decision-making and enhancing the conceptual framework of the project. Special emphasis is put on technical, economic, social, institutional and administrative analysis. The development objectives, intermediate objectives, and outputs as well as project resources and their interrelationships are evaluated. The proposal is judged in the light of Danida sectoral and cross-sectoral policies as well as the needs, policies and the absorption capacity of the recipient country. Potential weaknesses are identified and improvements are recommended.

At this stage of the cycle, Danida may decide to invite private consultancy services to participate. Tendering procedures normally involve the shortlisting of three companies, but procedures vary depending on the size and type of work. After the necessary approvals have been obtained, a Memorandum of Understanding is prepared by the desk officer at the embassy, which is normally signed by the head of the embassy and the relevant minister in the recipient country, or their deputies.

7.1.3 Implementation

Project implementation is the responsibility of the organisation in the recipient country, with possible support from Danida technical assistance personnel and monitoring by the desk officer in the embassy. Normally, a three-year Plan of Implementation is prepared by the implementing organisation, which may be tailored to the recipient country's normal planning procedures. This Plan has to be approved by the embassy desk officer as well as headquarters. Annual and semi-annual plans are prepared based on the three-year plan.

Reporting during implementation follows the Logical Framework. Every bi-annual and annual report should explain how the development and intermediate objectives as well as the outputs are being achieved (Danida, 1993c). Reviews are normally prescribed in the project document, and in the case of forestry projects they are often carried out 2–3 years after project commencement.

7.1.4 Completion

The project document normally describes how Danida support will be reduced and terminated during the final project phase. A completion report is prepared by the implementing organisation and the chief adviser, although final responsibility lies with the desk officer in the embassy. The report helps to decide whether minor funds will be provided for continuation of the project, and whether a post-project evaluation should be carried out. A post-project evaluation analyses the preparation, implementation and completion of the project, and determines the relevance of its objectives, achievements, efficiency, developmental effects and sustainability. Such an evaluation should assist in the decision-making on future project assistance.

A major cross-cutting issue in project preparation is the Environmental Impact Assessment Guide of 1994 (Danida, 1994d). The guide is user-friendly and has been introduced at a time when interest in environmental issues has greatly accelerated. Nevertheless, the guide provides guidelines and not operational directives, and its impact is considered to be limited (Danida, 1996a).

7.2 Programme cycle

Sector Programme Support follows a process approach in six stages that are similar to the project cycle stages: identification; preparation; appraisal; approval; implementation and phasing out. Its contents are, however, quite different from the project cycle. Three types of document are required at each stage: the Sector Programme Support document; the Technical Reports, which deal with particular aspects of the sector; and documents that assess particular options for future action. At each stage, the Process Action Plans prescribe who should conduct and who should participate in the process. This helps ensure national ownership (Danida, 1996d).

Danida SPS is still at the stage of description and analysis of the already identified sectors for each programme country. This stage analyses how SPS efforts can be planned jointly with other donors. Within this framework specific projects may be presented for approval. These may include existing Danida-supported projects which need to be adjusted to SPS, or pilot projects falling clearly within the scope of the SPS under preparation.

The outcome of the identification stage should be a tentative Sector Programme Support document, with project documents attached, accompanied by a Process Action Plan. Projects will be redefined in the course of the SPS process and, once the SPS is accepted, approved projects become 'components' of SPS (instead of 'projects'), whilst others are phased out.

Subsequent stages of the programme cycle will not be described here since the process has only just started. In 1995, only 3% of the bilateral assistance subject to SPS was reformed into programme assistance (Danida, 1995). Subsequent stages of SPS may well be adjusted in the light of experience gained over the next few years. The environment as a cross-cutting theme should be incorporated in all stages of the SPS process and in particular during the policy dialogue. However, there is concern regarding the role of Environmental Impact Assessment in Danida's SPS cycle. There is no reference

in the SPS guidelines as to how environmental issues are to be analysed and reflected. It is feared that indicators of success in this respect may become fluid and expendable (Danida, 1996a).

The now rapidly increasing EDRF will not follow SPS procedures but will instead follow the project cycle (Danida/DANCED, 1996a).

7.3 DANCED project cycle

The DANCED organisation is much smaller than that of Danida and basically consists of three levels: the country officer, the desk officer and the director. The DANCED project cycle contains many of the elements found in Danida but it is condensed around these three officers (DANCED, 1995). The country officer is based in the embassy but is not as functionally integrated into it as the Danida desk officer. DANCED is not involved in any project implementation, so that the role of consultancy companies is much greater than in Danida. DANCED funds are for project assistance only and are unconnected to the SPS orientation.

8. PROJECT AND PROGRAMME REVIEWS

Two major reviews have taken place in the forestry-related sectors:

- the Agriculture Sector Evaluation (ASE), which took place in 1993/94;
- the Environment and Development Evaluation (EDE), which took place in 1995/96.

No official Danida review or evaluation of the forestry sector in the narrow sense has taken place to date, but most forestry projects financed under the bilateral portfolio are included in either one, or both, of the above evaluations.

8.1 The Agriculture Sector Evaluation

The ASE (Danida, 1994c) included field evaluations of eight forestry resource interventions in the agriculture sector, of which two belong directly to the forestry desk, while the six others have significant, often dominant, forestry-related activities. The sample covers India, Kenya and Tanzania with an emphasis on dryland areas, but some areas of high agricultural potential were also included. The development objectives of the projects were generally defined as improved living conditions and/or an improved environment, and lesser objectives were the establishment of an improved resource base, the introduction of sustainable management, strengthening of the implementing institutions, and community mobilisation.

The evaluation found that the logic of the LFA was not evident, and, in particular, that it was not clear how measures to improve the resource base, mobilise the communities, etc., would lead to improved living conditions, or what the improved living conditions comprised. It found that no readily available technologies existed for the agricultural conditions in the intervention areas. Instead, projects relied on a combination of existing standard messages and research and development activities, although such R&D has not been systematic.

Box 1 Danida Forest Seed Centre

In 1969 the Danish/FAO Forest Tree Seed Centre was established outside Copenhagen as part of an internationally coordinated programme formulated by the 'FAO Panel of Experts on Forest Gene Resources' in 1968. It changed its name to the Danida Forest Seed Centre (DFSC) in 1981. The DFSC's early aims were to assist developing countries to improve the wood production and other benefits derived from their forests, through the use of plantations of well-adapted species and provenances. In particular, the Centre took responsibility for the collection and distribution of seed of different provenances and the organisation of international trials to evaluate the performance of *Tectona grandis*, *Gmelina arborea* and *Pinus merkusii*. With the growing realisation that the use of industrial wood in the tropics is outweighed by the use of fuelwood and other tree products, DFSC changed its emphasis in the late 1980s towards more support for multipurpose woody species. Regionally, its activities have also seen a shift from South-east Asia towards Africa, with a particular focus on dry-zone species. More recently, in line with growing international awareness of the need for conservation of forest genetic resources (as expressed in the International Convention on Biodiversity adopted at UNCED in 1992), DFSC has increased its emphasis on gene resource conservation.

DFSC concentrates on filling the gaps between research and practical application by (i) collecting know-how and carrying out required research and development; (ii) developing methods for practical application; and (iii) transferring know-how through DFSC's information service, training and direct project support. In the technical field, its activities focus on seed procurement, tree improvement and gene resource conservation. While general advisory and information services are made available internationally, DFSC's assistance is directed primarily towards the programme countries for Danish bilateral assistance. In 1996 it was closely involved with Danida tree seed projects in Eritrea, Niger, Tanzania, Nepal, Nicaragua and, in collaboration with CATIE, in Central America. It also supported projects funded by the United Nations Sudano-Sahelian Office (Sudan, Ethiopia, Uganda) and the Nordic Development Fund (Indonesia). DFSC's basic operational costs are covered by Danida, while most training activities and support for field projects are carried out on a cost-recovery basis.

(DFSC, 1981, n.d., 1995)

The ASE noted the difficulty of assessing the effects of an intervention that seeks to arrest on-going degradation. In many cases there is no indication whether effects should be measured against the baseline situation or the hypothetical situation, had degradation been allowed to continue unchecked. A further reason for difficulty in impact assessment, according to the ASE, is the long-term nature of forestry and agroforestry. The development impact must instead be assessed in terms of the survival rates of trees, and the appropriateness of technologies tested in R&D plots, for later adoption and use by the poor. It also found that off-site effects downstream, whether positive or negative, were generally not measured by the projects.

The ASE concluded that institutional integration is

often less than desirable, mainly because the cross-sectoral approach taken by projects contrasts with traditional compartmentalised implementation by government departments and ministries. However, it noted that, despite inherent difficulties, positive institutional changes may occur in the long term. The project approach also has inherent difficulties, such as possible contradictions between the physical catchment approach and participation.

Finally, the ASE concluded that a strategic choice has to be made between low and high potential areas. Poverty alleviation in the long term requires economic growth which, in the view of the ASE, can currently be achieved only in the high potential areas, given that in many developing countries agriculture is the key economic sector. It recommended investing primarily in agricultural development in the high potential areas, with social support for the poorest especially in the low potential areas.

8.2 The Environment and Development Evaluation

The Environment and Development Evaluation (EDE), carried out in 1995/96, reviewed the 1988–9 Action Plans and assessed environmental issues in the forestry and agricultural sectors (Danida 1996a). It was much more positive than the ASE about the impact of Danida's forestry and integrated land-use management projects and concluded that Danida had successfully included afforestation activities and the conservation of biomass energy sources in some land-use management and forestry projects. It presented much more positive data about biomass energy production in various projects. It noted, for example, a reduction in the work of an average woman of several hours per week combined with a major increase in target group income from forestry in the case of one project. The ASE, however, which evaluated the same project, made no mention of this.

The EDE concluded that the forestry sector's real contribution to GDP, and in particular to the rural poor, is often underestimated. The emphasis of the 1988–9 Action Plans on forestry and agroforestry has not been translated into significant support for this sector (with a drop of 1.3% in bilateral assistance to forestry in 1993). It found that the forestry projects had effectively adopted participatory approaches in rural development forestry, resulting in institutional capacity building and public awareness-raising.

The EDE found that recently proposed Sector Programme Support in the field of agriculture reflects a sub-sectoral bias towards high-potential agricultural production objectives (such as livestock breeding, veterinary support, seed production) at the expense of integrated land-use management approaches. It noted that the poverty focus and the expected environmental impact may suffer from such policy changes, and argued that development assistance through a narrow sub-sector focus, and implemented through a central Ministry, has a poor record in Africa.

The evaluation recommended a policy change whereby 10% of total Danida bilateral disbursements by the year 2001 should be allocated to projects with an emphasis on integrated resource management. The

policy recommendations made in this evaluation differ considerably from those in the Agricultural Sector Evaluation.

The EDE agreed with the ASE that monitoring systems for natural resource management and forestry projects are generally poor or even absent. Baseline data are often lacking, making impact assessment difficult or even impossible. However, it also noted the positive experience of innovative monitoring systems developed in some projects namely, monitoring of hydrological changes under changing land use, participatory impact assessment at village level and farm forestry modelling. The difficulties and complexities of conducting impact studies of resource management interventions are, however, accepted by the EDE (Wardell, 1996).

Finally, the EDE recommended that Danida define more clearly the trade-offs between economic growth and environmental sustainability. It noted that investments in high-potential agriculture may have high immediate returns, but that the actual and expected environmental and social costs of such development are generally not considered. Environmental economic valuation should become standard practice for sector programme support.

A synthesis of the major Danida reviews relevant to forestry presents a number of issues for the future:

- It is essential to establish a thorough baseline of data for integrated resource projects intervening in complex land-use management patterns. Furthermore, significant efforts must be made to develop a reasonably strong monitoring system in the course of project implementation. In the absence of this, impact analysis is hardly possible and external evaluations may arrive at unrealistic and contradictory conclusions. This may endanger the continued existence of such projects and programmes in the overall aid programme, since it leaves policy and decision-makers with unrealistic options.
- Natural resource-type interventions in the drylands often have a relatively limited impact if gauged by traditional measures. Environmental economic valuation should become standard practice for all development assistance including natural resource projects.
- Integrated resource management projects address many complex issues and ought to have the status of R&D instead of implementation. Long-term research commitments involving national and international research institutions should be sought by these projects.

9. CONCLUSIONS

Danish development assistance appears to be unique in many ways. In the first place, the level of public support for aid has constantly increased: to the level of three-quarters of the Danish population by 1995, when Denmark had been the lead donor for several years (DAC, 1995). Secondly, Denmark's follow-up to UNCED with the establishment of a special environmental assistance fund (the EDRF), which will eventually constitute a further 0.5% of GNP, is highly unusual among donors (MEE, 1995). Thirdly, the level of participation amongst the Danish public in develop-

ment aid issues appears to be higher than in many other donor countries. And finally, probably more than in any other donor country, Danish development assistance is marked by idealism (Olsen & Udsholt, 1995).

There are a number of contradictory policies in Danish development assistance. Poverty alleviation as the underlying motive for assistance is not at ease with the 50% tied aid objective. This conflict is seen in the different views expressed in major evaluations, such as whether Danida should or should not provide major support for agriculture and resource management in the drylands. A second area of conflict is the contrast between the poverty alleviation objective of Danida and the environmental conservation objective of EDRF funds managed by DANCED. A major study of Danida's poverty alleviation assistance is currently under way.

Definitional problems inhibit analysis of the tropical forestry and forestry-related support provided by Denmark. Nevertheless, it is clear that forestry has historically been a sector of very limited importance in Denmark itself and there is no history of colonial forestry. This was reflected in the assistance provided up to the 1980s, which largely concentrated on commoditised agriculture. Forestry support has become important only during the last 10 years or so, and mostly in a form which is integrated into wider development objectives, in particular into land, water and environmental conservation. This is mainly because of the greatly increased importance attached by Denmark to environmental conservation.

The emphasis of forestry support has shifted from large funds-in-trust projects to a multitude of smaller projects, many of them implemented by NGOs and the private sector. It can be argued that this has probably improved the quality of the assistance.

Current Danish development assistance is not only determined by many policies and strategies, but also by a host of external and internal interests. The outcome of the process depends on the relative strength and capacity that the relevant actors can mobilise and master.

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ACRONYMS

ASE	Agriculture Sector Evaluation
CARE	Cooperative for Assistance and Relief Everywhere
CATIE	Centro Agronomico Tropical de Investigación y Enseñanza
CIFOR	Centre for International Forestry Research
DAC	Development Assistance Committee
DANCED	Danish Co-operation for Environment and Development
DANIDA	Danish International Development Agency
DFSC	Danish Forest Seed Centre
DKK	Danish Kroner
EDE	Environment and Development Evaluation
EDRF	Environment and Disaster Relief Facility
EIA	Environmental Impact Assessment
FAO	Food and Agriculture Organization of the United Nations
GDP	Gross Domestic Product
GNP	Gross National Product
ICRAF	International Centre for Research in Agroforestry
ITTO	International Tropical Timber Organization
LFA	Logical framework approach
MEE	Ministry of Environment and Energy
MFA	Ministry of Foreign Affairs
NFNA	National Forest and Nature Agency, MEE
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Co-operation and Development
R&D	Research and Development
SPS	Sector Programme Support
TSA	Technical Advisory Service
UNCED	United Nations Conference on Environment and Development
UNDP	United Nations Development Programme
UNSO	United Nations Sudano-Sahelian Office
WWF	World Wide Fund for Nature

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