



*Thai Foreign Minister Siddhi Savetsila and Dr MacGuigan in Ottawa where they signed a tree seed centre agreement. (See follow-up story, p.13.)*

countries to protect, improve and expand their forests.

The seed centre, to be located at Muak Lek in Thailand's Saraburi province, will be funded about equally by Canada and the ASEAN countries, particularly Thailand. The Canadian International Development Agency (CIDA) will provide a \$1.5-million grant to cover the services of Canadian forestry experts and the cost of post-graduate training of ASEAN forestry staff in Canada, technical training in Canada and within the ASEAN region, and relevant workshops, seminars and a certain amount of equipment. Thailand will provide land, buildings, and staff, and will meet the centre's regular operating costs. Indonesia, the Philippines, Malaysia, and Singapore will contribute staff and will pay the cost of project activities conducted in their own territory, such as seed collection and local studies.

The Muak Lek centre will help to develop forest tree seed orchards in member countries to provide an ample supply of quality seeds of selected species used in forestry work and to strengthen ASEAN technical competence in this specialized field. The project's main beneficiaries will be people employed in the forestry sector and, in the long run, future generations who will gain many benefits from the results of good forest management.

The ASEAN region has one of the world's most valuable reserves of tropical hardwood forest, including the largest concentrations of such species as teak and

mahogany. World Bank studies indicate that tropical hardwood prices will soar dramatically in the next 15 years because of dwindling supplies. At present, the ASEAN region's forest resource is being depleted rapidly. Without large-scale reforestation it will likely be lost forever, with consequent damage to ecological balance and watershed condition. In Thailand, for example, studies indicate that shifting cultivation, fire and illegal

felling have reduced the forest cover from more than 50 per cent to only 38 per cent of the country's land. A similar process is taking place in the Philippines and, on a more localized scale, in Malaysia and Indonesia.

All of these countries need an abundant supply of seedlings so they can carry out vigorous programs to establish plantations to protect agricultural land and provide fuel wood near settlements.

## Facts on the Industrial Co-operation Program

THE CANADIAN International Development Agency (CIDA) instituted the Industrial Co-operation Program (ICP) in October, 1978, in recognition of the changing developmental needs of "middle-income" third world countries such as are included among the countries of ASEAN. These countries, now at the point of economic take-off, still require substantial injections of direct investment, technology and know-how. An obvious source of these requirements is the Canadian private sector, especially the small and medium-sized firms.

The primary objective of CIDA's ICP is to foster diverse, mutually beneficial, long-term business collaboration between Canadian enterprises and their counterparts in developing countries.

Typical industrial co-operation projects involve, from the developing country perspective, such benefits as the redistribution of income through the creation of meaningful employment, the transfer of appropriate technology, savings in foreign exchange, and possibly the development of an export industry that in turn generates foreign exchange. All of these are universally recognized as major aid objectives. To achieve these objectives the ICP provides financial incentives in response to initiatives from the Canadian private sector to carry out developmentally sound projects of commercial interest to the partner firms.

The cornerstone of the program is the support given to companies seeking to form joint ventures in less-developed countries. From the Canadian perspective this is a sophisticated marketing technique that engenders a long-term commercial presence in the country concerned. If the proposal for such a joint venture also contains significant potential for industrial development, the Industrial Co-operation Division of CIDA will grant the Canadian firms funds to investigate opportunities first-hand in the less-developed countries and perhaps also

to invite the third world businessmen back to Canada. If both parties are satisfied that potential for a joint venture exists, further funding may be provided for an in-depth feasibility study. These projects are now funded primarily on a 50-50 matching basis. Additional financial support is available to overcome special problems during the early development years of a new joint venture. Items in this area may include middle management training, development of an inventory control system, a preventive maintenance program, or a quality control program.

Since its inception the Industrial Co-operation Division at CIDA has funded some 47 starter and viability studies in the ASEAN countries in sectors ranging from fish processing to helicopters.

As the exchange between Canadian technical and business people and their third world counterparts is a very important first step in many forms of industrial co-operation, CIDA also maintains a visits and seminars program in which assistance is given to Canadian firms to introduce their technology to decision-makers in the less-developed countries. In such cases the Industrial Co-operation Division will pay the expenses of incoming individuals while the Canadian company is responsible for managing the program. Where it is more cost-effective to carry out an information session in the developing country, visits are sponsored to that country.

Recent ASEAN projects funded under this facility include the Canadian Standards Association mission to determine how ASEAN can be assisted in the development and enforcement of industrial standards, and the Canada-ASEAN Technology Exchange which took place in Singapore in May.

Unless a product or technology is