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## Sri Lanka: The US Tropical Forestry Conservation Act, a question of sovereignty

Multilateral and bilateral agencies --World Bank, Asian Development Bank, International Monetary Fund, USAID and Japan Bank for International Cooperation-- have long provided loans and grants for southern countries, throwing them into a debt trap. Sri Lanka is no exception. To repay its foreign debt, the country has overexploited --with an impact on future generations-- its natural resources, including large scale felling of timber, shrimp farming, cultivation of cash crops, mining and the privatisation of water supplies.

On the other hand, large-scale loans and grants for unsuccessful conservation projects --such as tree planting, watershed management, coastal conservation, pollution control, wildlife, medicinal plant conservation-- have added to the foreign debt of the country with no improvement in the environment sector in general.

Now, the Sri Lankan government is planning to sign an agreement under the US Tropical Forestry Conservation Act --US Public Law 105-214, for Debt Reduction for Developing Countries with Tropical Forests--, to bind Sri Lanka's forests for external debt. Under the provisions of this legislation, if a tropical country possesses at least one globally important tropical forest, then that country may sign an agreement with the United States of America to reduce the debts to the former. This may be achieved by debt buyback, by debt for nature swap or by loan restructuring.

However, the key element in the TFCA is the concept of Tropical Forest Funds. These are intended to be established, under the laws of the debtor country, as endowed trust funds to be managed in perpetuity. They would make grants for the conservation, maintenance and restoration of tropical forests in the debtor country, primarily to non-governmental organisations (NGOs) involved with environment, forestry, conservation and indigenous peoples and other local or regional entities.

The rationale of the agreement is that it would ensure that resources would be allocated to the protection of the forests --that would not otherwise have been so used--, by alleviating indebtedness. But the primary aim of the TFCA is for the US Government to obtain control over the forest resources of tropical countries. It is unrealistic to expect a foreign country such as the US to behave totally altruistically in managing Sri Lanka's forest resources.

One of the reasons for the TFCA is the protection of the plant and gene bank which is only available in tropical forests, while one of the activities envisaged under the Tropical Forest Funds is research into the medicinal uses of tropical forest plant life indicating that this issue was not far from the minds of US legislators. The US may, therefore be expected to benefit fully from research into the plant and gene resources of Sri Lanka's forests, to the detriment of the local population. US pharmaceutical companies are well known for getting patents for plant based pharmaceuticals, sometimes of substances that have been in use for millennia.

Additionally, the TFCA may allow the US to maintain its high CO<sub>2</sub> emission levels. If the US were to eventually ratify the Climate Change Convention's Kyoto Protocol, it could use the tropical forests that

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it declares to protect as sinks under the Clean Development Mechanism to absorb its CO<sub>2</sub> emissions.

Under the TFCA, the forests would be managed by a committee comprising representatives from the US government, international NGOs other than local representatives. But there are many threats of bringing international NGOs to protect local resources. Some of them are infamous for biopiracy and some of them keep biodiversity sites with military support, and their approach is removing people from the forest and buffer zones --not a suitable option for Sri Lanka.

Therefore, the question of sovereignty remains the main issue. If the Government of Sri Lanka is unable to protect its natural resources, then the state is no longer viable in that it cannot protect the interests of the country. Furthermore, can the government sign such an agreement without any public consultation?

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