

*Dialogue on the  
Forest Action Plan FY16-20  
for the World Bank group*



**WORLD BANK GROUP**

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Washington DC  
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# Agenda

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9:00-9:15 am Introductions

9:15-9:20 am Purpose of the Dialogue and Q&A

9:20-10:00 am Presentation of the Features of the Draft WBG Forest Action Plan

10:00-11:00 am Moderated Discussion

11:00-11:15 am Wrap-up and next steps

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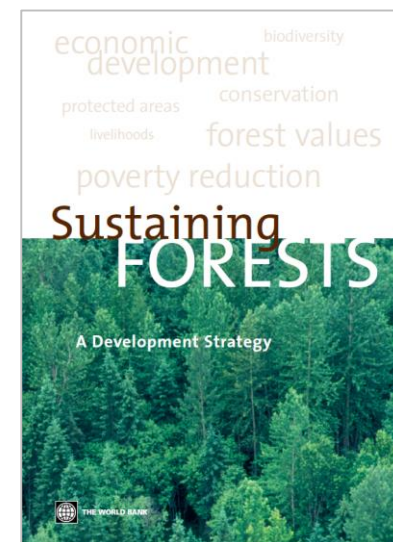
# Purpose of the Dialogue



# Purpose of this Dialogue — some background

World Bank Group Forest Strategy “*Sustaining Forests — a Development Strategy*” was approved by the WB Board in 2002 after extensive consultations with internal and external stakeholders.

The WBG Forestry Strategy remains valid and the proposed Forest Action Plan aims at operationalizing the strategy.



Action Plans are not subject to “Consultations” (as per Consultation Guidelines, October 2013).

→ The purpose of this dialogue is to engage with external stakeholders on the proposed features of the FAP and seek their feedback to guide the finalization of the FAP document.

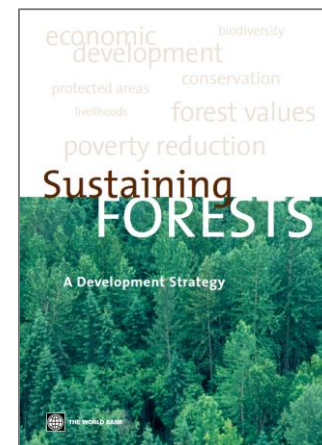
# Guiding questions for this Dialogue

- What should the World Bank Group do more of in forestry?
- What should the World Bank Group do differently in the forest sector and other sectors impacting forests?
- What elements are essential from your point of view for a successful implementation of the programmatic approach to forests at the country level?

# Why a Forest Action Plan?



# Where are we coming from?



**2002:** Adoption of the Forest Strategy — “*Sustaining Forest - a Development Strategy*”

**2013:** Review by IEG of the 10 years of implementation of the Forest Strategy

**Feb. 2014:** CODE supports the preparation of a Forest Action Plan

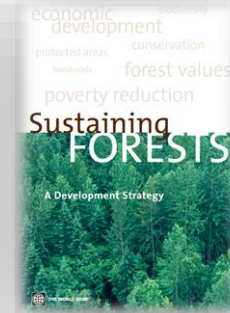
**Jul. 2014:** Restructuring of the World Bank Group

**2015:** Development of the WBG Forest Action Plan FY16-20



# Guiding principles

## I. The 2002 Forest Strategy remains valid



Harness the potential  
of forests to **reduce  
poverty**



Integrate forests  
effectively into  
**sustainable economic  
development**



Protect the **vital local  
and global  
environmental services  
and values of forests**

→ The proposed FAP FY16-20 aims at **operationalizing** pillars of the Forest Strategy taking into account new context and challenges/opportunities

# Guiding principles

## 2. The FAP should build on the new Business Model of the WBG



**RVPU**s and **CMU**s ensure clients receive integrated and customized development solutions

The **Global Practice VPU** and **Global Practices (14)** manage global technical expertise to deliver solutions to clients

**Cross-cutting Solution Areas (5)** set the strategic direction, develop targets, advise on design and delivery, monitor results and build global leadership in selected WBG cross-cutting priority development areas

The **GPSOS** and other **Enabling Services** deliver critical support services to all practices and CCSAs

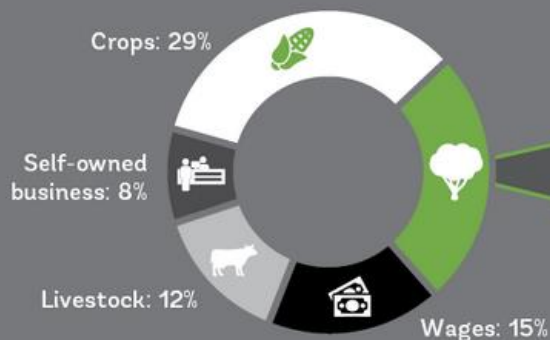
# Importance of Forests & Trees



# Forests as pathway out of Poverty

## FORESTS ARE AN IMPORTANT SOURCE OF INCOME

In developing countries, forest income is second only to crops for rural communities with access to forests.



## A "HIDDEN HARVEST"

FORESTS: 22%



About 50% of forest income is non-cash or a "hidden harvest" that provides food, fuel, fodder and construction material.

## 1 IN 11 PEOPLE

with access to forests are lifted **OUT OF EXTREME POVERTY** thanks to forest resources.



## FOREST INCOME REDUCES INEQUALITY

Regions lower their scores for the Gini coefficient – a measure of inequality – by several percentage points when income from forests is included.



# Forests generate jobs and wealth



## \$600 BILLION

The formal forest sector contributes \$600 billion to the global economy – about 1% of GDP.



### X4

World **DEMAND FOR TIMBER** is expected to **QUADRUPLE** by 2050.

In Africa, including informal wood production in GDP estimates would **double forests' contribution to GDP.**



### X2



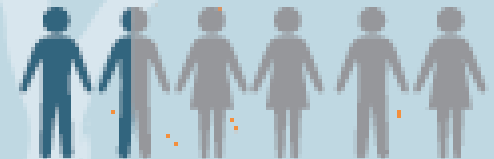
## 54.2 MILLION JOBS

The forest sector employs **13.2 million** people formally and another **41 million** people informally.



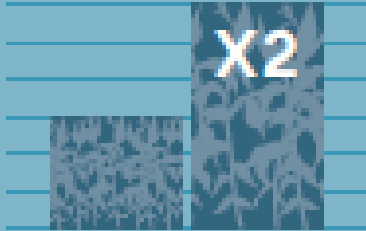
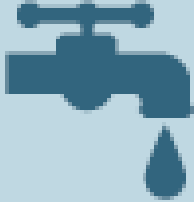
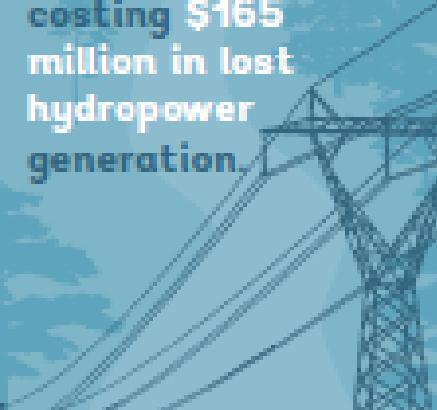

= 9 Million People

■ formal jobs  
■ informal jobs



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# Forests provide essential services that sustain economies

Agriculture	Water	Energy	Green Infrastructure
<p>In Zambia, increased tree cover combined with conservation farming has <b>doubled</b> maize yields.</p>  <p>A bar chart with two bars. The first bar is short and represents a baseline yield. The second bar is twice as tall and is labeled 'X2', indicating a doubling of yields. The bars are set against a background of a forest.</p>	 <p>Thanks to watershed services from forests, New York City's water utility saved <b>\$6.5-8 billion</b> in filtration costs over some 9 years.</p>	<p>Deforestation exacerbated extreme drought in Brazil in 2014, costing <b>\$165 million</b> in lost hydropower generation.</p>  <p>A stylized illustration of a high-voltage power transmission tower with power lines stretching across the background.</p>	 <p>In Vietnam <b>\$1.1 million</b> invested in mangrove forests saved <b>\$7.3 million</b> annually in avoided flood control measures.</p>

# Alignment with the WBG Corporate Goals



## Forests Reduce Poverty

by sustaining livelihoods of hundreds of millions of people

by offering opportunities to lift people out of poverty where alternative options sometimes just do not exist.



## Forests Create Jobs and Wealth

by responding to local and global growing demand for timber and non-timber products



## Forests Sustain Economies

by providing ecosystem services critical to the productive sectors

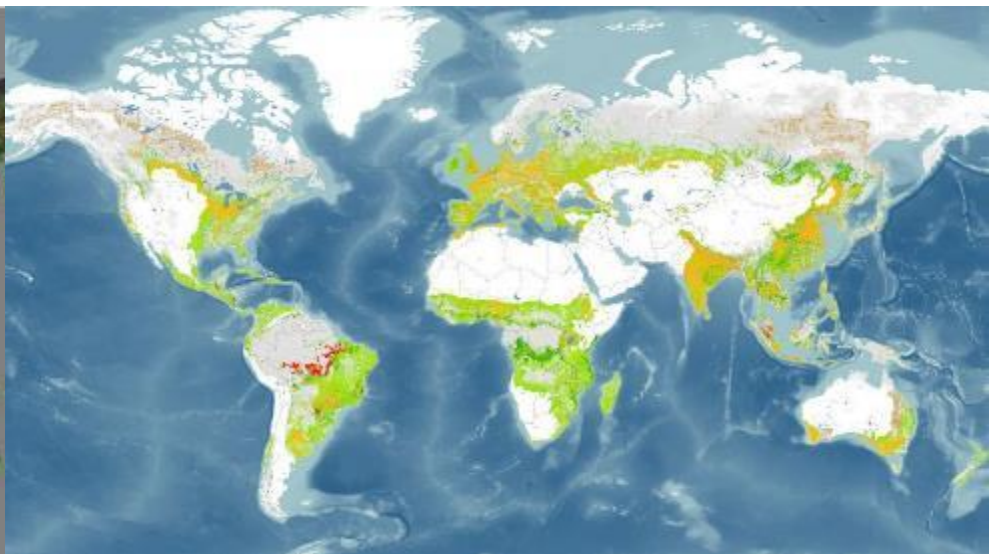
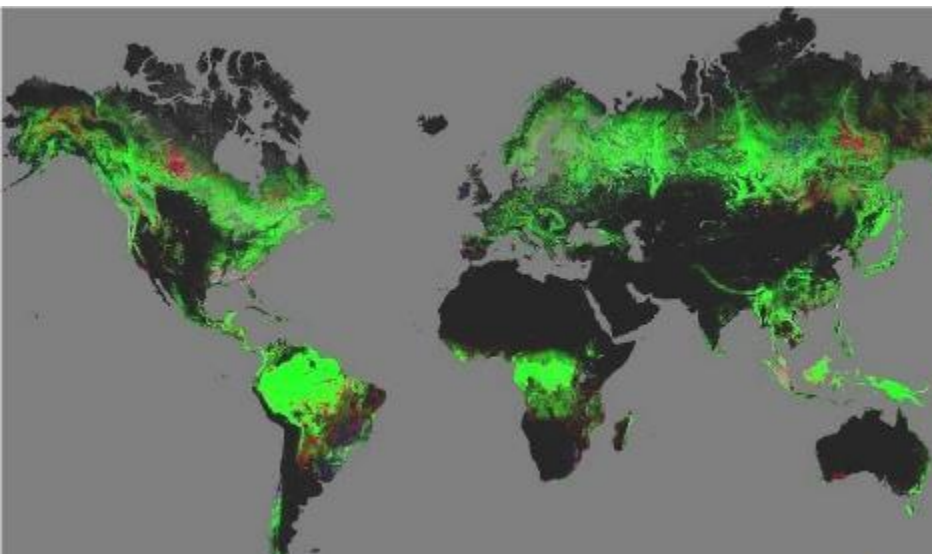
by mitigating and tempering impacts of climate change

# Challenge is huge

13 million hectares of forest  
are lost each year

&

2 billion hectares of degraded  
land and forests need to be  
restored



...and can be turned into an opportunity



# Proposed Investment & Action Areas



# Proposed Investment & Action Areas

## Promote Sustainable Investments in Forestry

- Optimize use of natural and planted forests for livelihoods, jobs and economic opportunities; protect standing forests

## Promote Forest-Smart Investments

- Ensure investments in productive sectors (agriculture, energy, mining, transport ...) fully embed forest dimension



Participation  
& Rights



Institutions &  
Governance



Climate  
Change &  
Biodiversity



# Promote Sustainable Investments in Forestry

## **Optimize use of natural forests for livelihoods, jobs and economic opportunities**

- Promote participatory forest management, including of protected areas
- Enhance sustainable production of timber and non-timber forest product (NTFPs)
- Promote forest conservation while promoting livelihoods (incl. through nature-based tourism)
- Value and pay for environmental services

## **Incentivize Sustainable Plantations and Tree Planting**

- Foster Responsible Investment in Commercial Reforestation
- Small-holder Plantations and Tree Planting

## **Promote Sustainable Forest Value Chains**

- Support Small and Medium Forest Enterprises
- Encourage Private Investments on Forest Value Chains



## Promote Forest-Smart Investments

### Optimize Land Use through *ex ante* Spatial Planning

- Better understand the interlinkages between forests and other land-uses, to better inform decision-making
- Minimize or mitigate negative impacts on forest & identify wins across sectors, make use of degraded lands, and protect high-value forests



### Foster Multisectoral Coordination to Deliver on Forest-smart Operations

- Use of Safeguards/Performance Standards as early screening of investments in land-based sectors to manage impacts on forests;
- Mainstream forests and trees into the design of operations (Agriculture, Transport, Energy...)

# A growing portfolio on sustainable forest landscape management



## GHANA: Greening the Cocoa Supply Chain

To improve forest and tree management practices by cocoa farmers, communities and forest reserve managers to reduce forest loss and degradation in selected landscapes in Ghana's High Forest Zone.

Amount: US\$ 30 million (+ ER Program) - SPN

## COLOMBIA: Sustainable Cattle Ranching

To promote the adoption of environment-friendly Silvopastoral Production Systems for cattle ranching in Colombia's Project areas

Total Amount: US\$27.7 million (GEF+UK-DECC) — SPN

## BRAZIL: FIP Cerrado Program

To promote the adoption of selected sustainable low carbon emissions agricultural technologies by mid-sized producers in the Cerrado Region

Total Amount: US\$53 million (FIP) - SPN

## TUNISIA: Silvo-Pastoral Ecosystem co-Mgt

To improve integrated management of forests and rangelands in targeted areas in Tunisia.

Amount: US\$50 million (IBRD) - LEN

## ZAMBIA: Zero-deforestation Cotton Supply Chain

To redirect market forces toward sustainable land management, i.e., conservation agriculture (targeted commodities: maize, tobacco, fuel wood) and improve livelihoods by building joint ventures between communities and wildlife-based tourism businesses in game management areas

Amount: US\$ 30 million (+ ER Program) - LEN

## Participation & Rights



### Engagement with Stakeholders

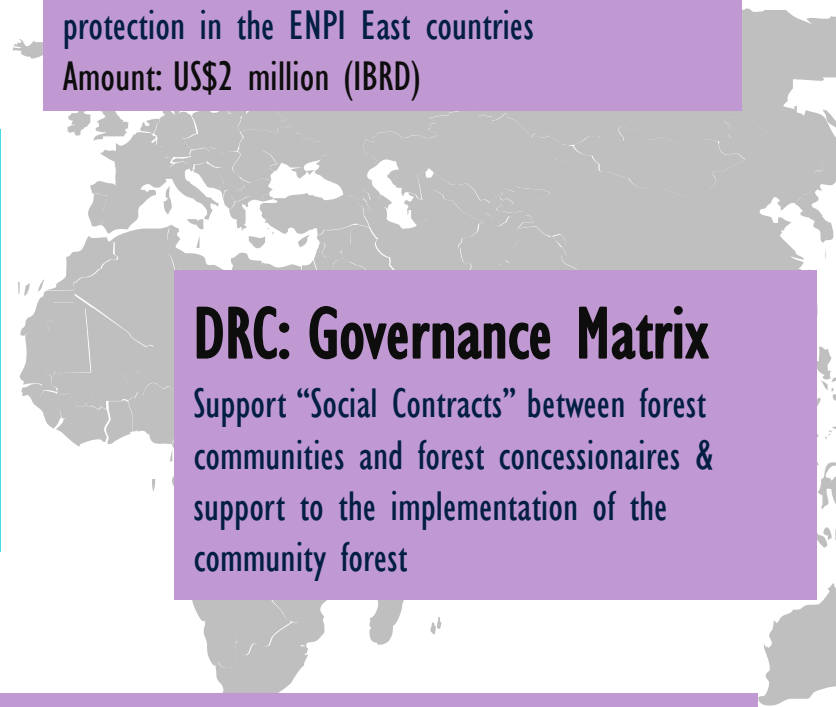
Citizen Engagement Framework – Strategic Framework (2014)

Free, prior, informed consultation (OP 4.10)  
Strategic Env. and Social Assessment (SESA)



### CAUCASUS: Support to FLEGT

To deliver significant support to good forest governance, and sustainable forest management and protection in the ENPI East countries  
Amount: US\$2 million (IBRD)



### DGM Mechanism under the FIP

To strengthen the role of Indigenous Peoples and Local Communities (IPLCs) in the FIP and other REDD+ programs at local, national and global levels by supporting capacity building and demand-driven initiatives of IPLCs

## Institutions & Governance



### DRC: Governance Matrix

Support “Social Contracts” between forest communities and forest concessionaires & support to the implementation of the community forest

### MADAGASCAR: Rosewood

Inclusion of triggers related to the illegal logging of rosewood into the new Development Policy Lending program with Madagascar.



## Climate Change Agenda

A growing portfolio with more than 17 programs at the landscape-level



## Biodiversity Agenda

A strong portfolio at the WB: in pipeline 27 operations (out of the 76) have a BD component.

Growing focus on wildlife crime

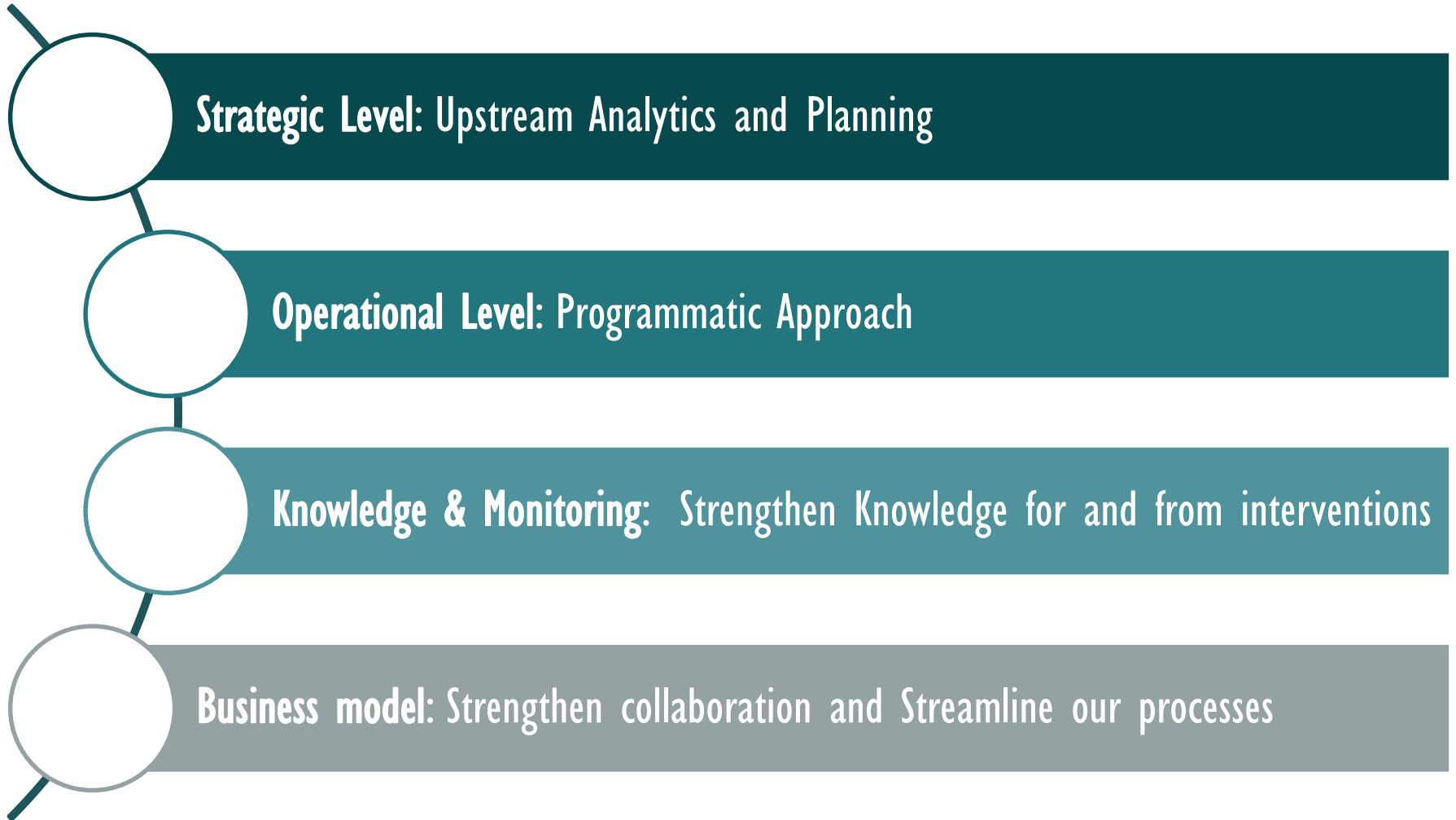


# Implementation of the FAP



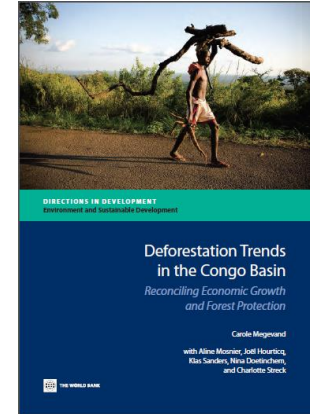


# Implementing the Forest Action Plan



# Strategic Level: Upstream Analytics and Planning

Upstream analytical work to inform strategic planning and support decision-making process on land-use



Preparation of selected **Country Forest Notes**, to present:

- The status of forests, opportunities for sustainable forest management, drivers of deforestation and forest degradation
- Identification of options for minimizing trade-offs of planned WBG operations on forests based on an integrated upstream analysis
- Maximizing potential win-win solutions



# Operational Level: Guiding Principles for the Programmatic Approach

1. Country-owned Program
2. Multi-disciplinary offer
3. Appropriate Mix of Instruments
4. Long-term Engagement



### 3. Appropriate mix of instruments & sources of financing



### 4. Long-term engagement



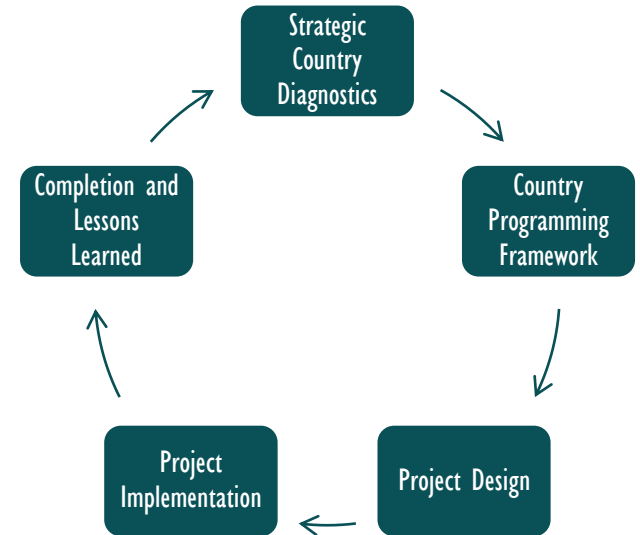
Late 90s



# Knowledge

**A core part of our offer all along the project cycle**

A dynamic generation of knowledge,  
based on country-demand



## Focus themes:

Forests as pathways out of poverty

Sustainable planted forests

Sustainable value chains and competitiveness

Land use change dynamics

Contribution to climate change mitigation and adaptation



# Monitoring

## At the Project/Program level

- Use of Core indicators
- Proxies indicators & Chain of Results (long-term impact)
- Impact evaluations

## At the Country level

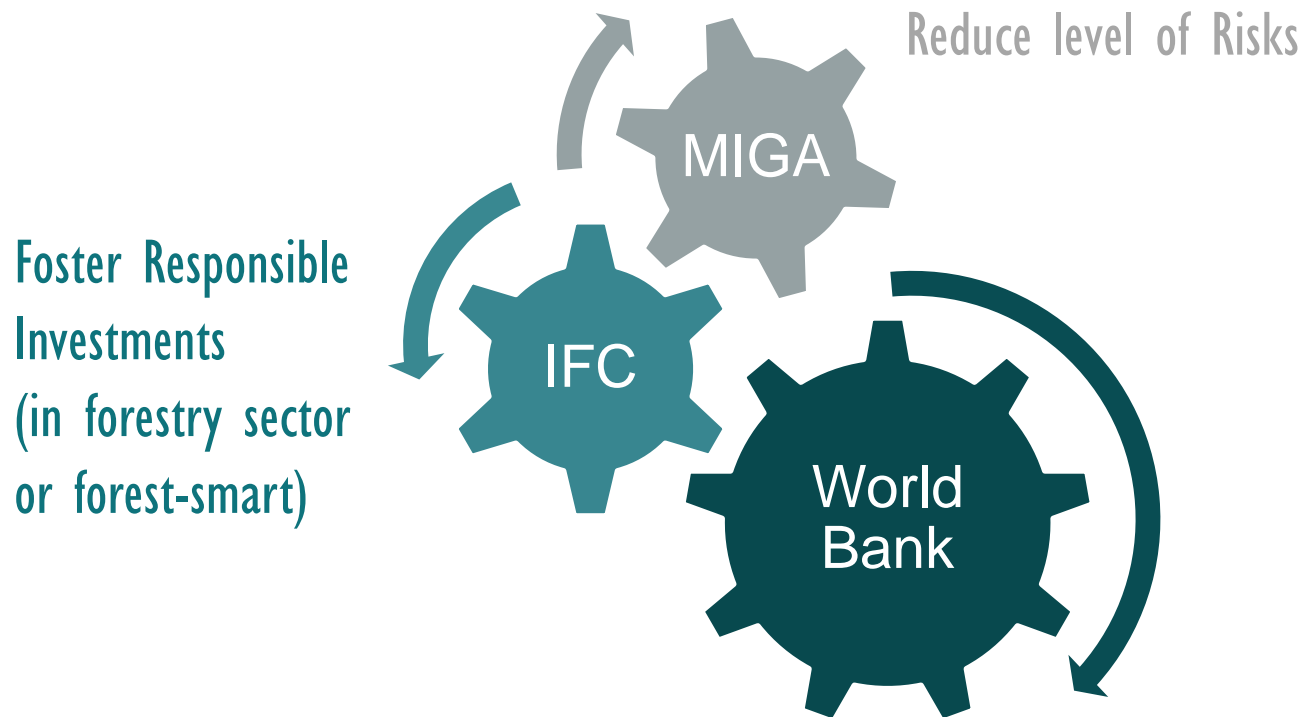
- Build national system to monitor forests cover and programs

## At Global level

- World Development Indicators: Improving forest indicators (forest rents,
- Living Standard Measurement Study (LSMS): inclusion of a forestry module

# Business Model: Strengthen collaboration

- amongst various entities of the WBG

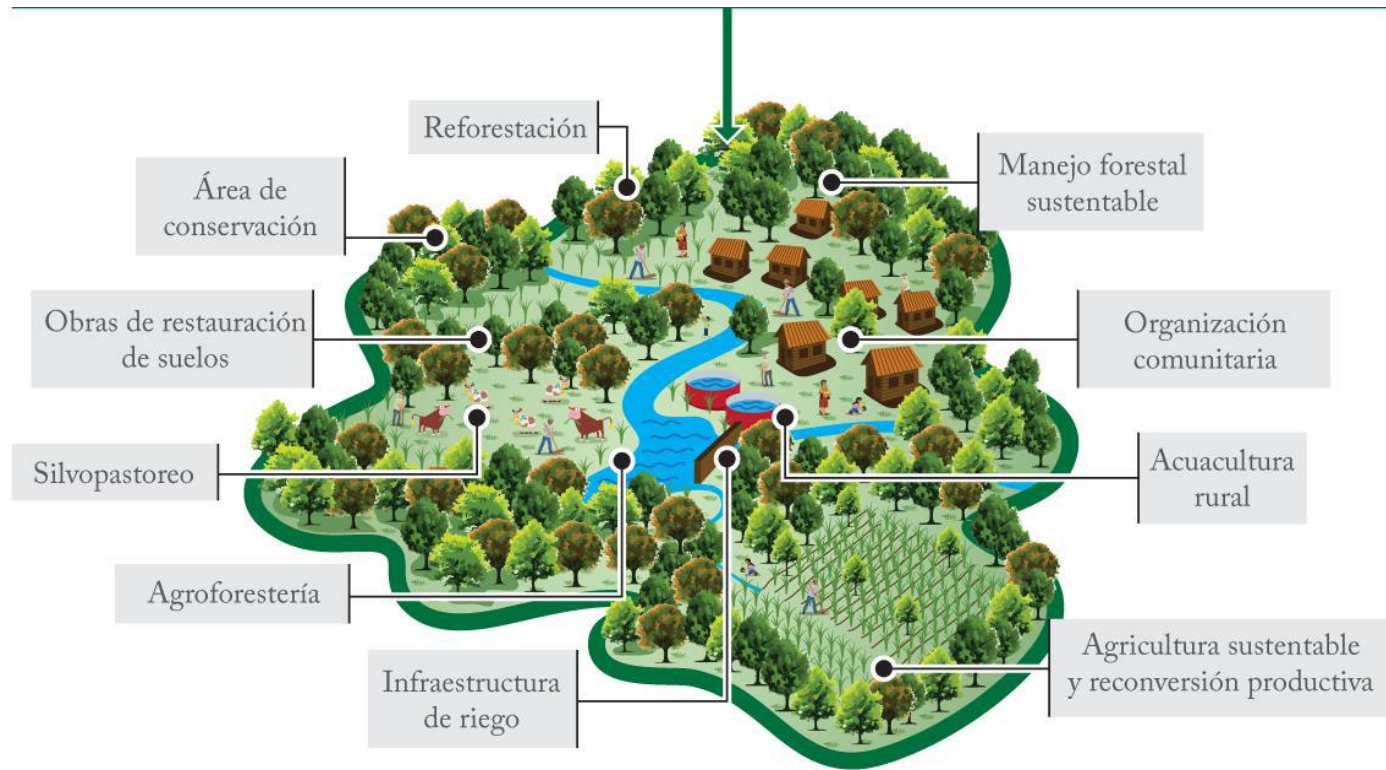


Guide public reforms towards forest preservation  
Support public investments (in forestry sector or forest-Smart)  
Foster enabling environment for responsible investors



# Business Model: Enhance Integration

- amongst various sectors, to offer multi-disciplinary solutions to complex development challenges in our Client Countries



Source: CONAFOR



# Business Model: Streamline Procedures

Through the Programmatic Approach,

- enhance complementarities of the different instruments
- streamline procedures and reduce transactions & associated costs

Discuss opportunities, whenever possible, to streamline procedures applying to Forest-related Climate Trust Funds

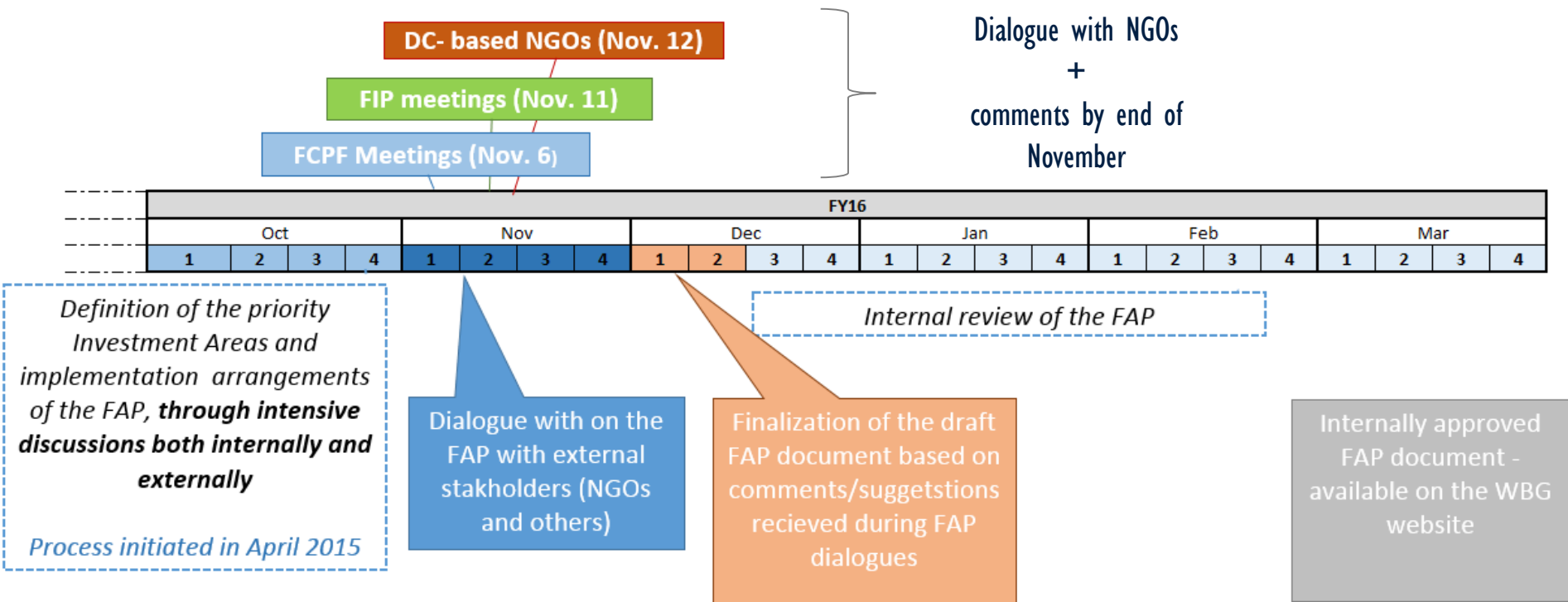
## Partnerships

- Both at global and country-levels

# Next Steps



# Where do we stand



**Thank  
You !**

