



Submission on World Bank's Safeguard Policies Review and Update with Regard to Forests

Our organizations welcome the World Bank's timely review and update of its safeguard policies, following the Independent Evaluation Group 2013 review of the World Bank Forest Strategy. We are glad to see the World Bank Group (WBG) take advantage of this opportunity to hold much needed consultations with civil society about many critical issues affecting forests worldwide and indeed, well beyond the WBG's own portfolio. Our organizations submit this input as a complement to the "Joint CSO Submission on World Bank Forests and Natural Habitats Safeguards," endorsed by the following organizations: Bank Information Center, Center for International Environmental Law, Global Witness, Greenpeace, Rainforest Foundation Norway, and Urgewald.

Several issues facing the world's forests must be carefully considered under the safeguards review process. For example, an increased focus on drivers of deforestation and cross-sectoral impacts, a renewed commitment to substantive engagement on outcomes for forest dependent peoples, and an improved, real-time and targeted results and monitoring framework would better position the WBG to accomplish key elements of its mission. In addition, forward-looking integration of climate change considerations—both mitigation and adaptation—into forest-related programs is essential, as is the need to ensure that safeguards adequately address key environmental values and ecosystem services.

Given the inevitable growth and shifting geographies in the global demand for food, fuel and fiber, we continue to believe it will be necessary to address this range of issues by engaging forest sector stakeholders at multiple scales, from small-holder, indigenous and community operations to industrial-scale businesses, and to incorporate adaptive management principles and robust safeguards to improve productivity and economic benefits simultaneously with conservation outcomes. In our view, ignoring the potential impacts of growing global demand in the absence of improved sustainable forest management regimes poses a greater risk to forest peoples' livelihoods and the many ecosystem values that tropical forests provide. We outline a few specific suggestions below:

Addressing the drivers of deforestation and forest degradation

Review of the forests and natural habitats safeguard policies provides an opportunity to expand and improve cross-sectoral approaches to address the direct and indirect drivers of forest loss and degradation. Catalytic interventions by both public and private sector actors can remove barriers and create requirements and incentives for improving management of forests and degraded lands, reducing

rural poverty, and building “green” economies. A focused effort should review the effectiveness of OP8.60, which was created in large part to ensure the consideration of cross-sectoral impacts on forests originating from factors outside the sector.

Engagement with forest dependent peoples

Better guidance on the design of projects and programs for improved forest management, forest conservation, and sustainable livelihoods should be developed to ensure that full consideration is given to resource rights, access, and the substantive engagement of indigenous peoples and local communities in the design and implementation of forest management interventions, with strong priority given to the distribution of benefits to these target groups.

Improving the World Bank’s results framework

To effectively determine the impact of the Bank’s forest portfolio against the three original pillars of the 2002 strategy, a common monitoring and evaluation system for tracking the economic, social, environmental, and governance outcomes of forest sector interventions must be developed and implemented. An improved approach should ensure more consistent use of existing frameworks within the Bank Forests Sourcebook, as well as frameworks emerging from collaborative partnerships such as the Forest Carbon Partnership Facility (FCPF), Forest Investment Program (FIP), and other partners with existing safeguard processes.

Strengthening climate change considerations

The safeguard policies review and update provides an opportunity to better integrate climate change considerations across the full portfolio of the Bank’s forest-related projects and incorporate climate integrity into lending instrument safeguards. World Bank supported interventions should be strengthened to improve forest management in ways that deliver a broad range of benefits and services, both local and global, as client countries respond to the challenges of climate change.

The IEG evaluation appropriately cited the FIP and FCPF for their strengths in catalyzing robust dialogues among multiple stakeholders within and beyond forest countries and advancing a “learn by doing” approach. We recognize the increasing importance of these partnerships in piloting sub-national to national-scaled REDD+ interventions. After some of the early challenges of establishing governance bodies and operational modalities, it is essential that these efforts continue to progress in delivering needed finance to REDD+ countries, as they will provide essential learning around “pay for performance” approaches as well as best practices in applying safeguards outside the REDD+ space.

Ensuring safeguards protect environmental values and ecosystem services

Annual wood removals in 2050 could be three times the volume reported for 2010 – even with increased recycling, reuse, and efficiency – due to steadily growing demand for solid wood and paper products in emerging markets, among other factors such as the considerable escalation in use of wood

for bioenergy¹. Reducing the rate of deforestation and forest degradation, while meeting the food, fuel and fiber needs of a growing population with higher average incomes, will require an expansion of responsible forest management.²

Responsible forest stewardship, motivated in part by commercial interest in maintaining a wood supply, can help protect vulnerable forests from illegal logging, encroachment, and conversion to farmland. Credible, independent third-party certification of management is critical to ensuring stewardship, and is a current requirement of OP 4.36. While additional research is important to sharpen these lessons, studies indicate that Forest Stewardship Council (FSC) certification has a positive impact on economic, ecological and social aspects of forest management.

The World Bank's role will become even more important as the global centers of both supply and demand for wood-based products shift from industrialized to World Bank client countries. With large projected increases in demand for wood and fiber, food, and bio-fuels, the threat of extractive industries expansion into natural forests should engender increased WBG, and WBG partner, engagement. The safeguard review must reinforce the importance of forest conservation, ensuring appropriate assessment, monitoring, and evaluation with an emphasis on environmental, social and economic outcomes, particularly for target or client groups, such as indigenous and other forest dependent communities.

Expanding the scope of the safeguards review

As a strong proponent of the World Bank's 2002 forest sector strategy, and accompanying safeguards OP 4.36 and 8.60, our organizations remain supportive of the Bank's unique roles, including protection of forests and their vital local and global environmental services and values; harnessing the potential of forests to reduce poverty; and integrating forests into sustainable economic development.

As noted in the IEG evaluation, Development Policy Lending (DPL) was one of the main instruments used for forest policy reform between 2002 and 2011, yet there has not been an in-depth analysis of safeguards for DPLs beyond Product Documents, and the current safeguards review limits its scope to safeguards of investment lending.

Because forest sector DPL is an important instrument for concession reform, we recommend the scope of the Safeguards Review should be expanded to include programmatic loans, such as DPLs, to better manage and maintain forests' environmental, economic, and social benefits, and to better integrate the results of the safeguards review across sectors that may directly or indirectly impact forests and natural habitats.

¹ WWF Living Forests Model. For details of the Living Forests Model, see Taylor, R. (ed.) 2011a. Chapter 1: Forests for a Living Planet in *Living Forests Report*. WWF, Gland, Switzerland. www.panda.org/livingforests

² WWF Living Forests Model

Thank you for your consideration.

Rainforest Alliance

The Nature Conservancy

Wildlife Conservation Society

World Wildlife Fund