

Rooting a Global Forest Partnership in stakeholder capabilities and needs



**International
Institute for
Environment and
Development**

Consultation Document

Supporting an independent assessment by IIED¹ of a World Bank partnership proposal for improving forest livelihoods, markets and environmental services.

1: IIED is a policy research think tank based in London. We work in partnership with individuals and organisations around the world on five key themes – Natural Resources, Climate Change, Human Settlements, Sustainable Markets and Governance. www.iied.org.

Global Forest Partnership... what's the idea?

What the World Bank is proposing...

A new Global Forest Partnership (GFP)¹ has been proposed to bring together many organisations for greatly accelerating progress in managing forests, in ways that better meet social, environmental and economic needs. Its focus would be on joint action with developing countries.

Recent policy and market initiatives are beginning to offer opportunities to shift forest management onto sustainable paths, and to block illegal and unsustainable paths. Decentralisation now enables community ownership and management of forests. The public is increasingly aware of climate change and forest problems. Customers are beginning to demand legally and sustainably produced timber. The potential of forests to produce biofuel is being explored. Markets are emerging for forest environmental services, including carbon storage. The World Bank itself is involved in many of these, e.g. the new Forest Carbon Partnership Facility, as are many other groups. Such initiatives could offer forest owners and managers new sources of financing and support for improved forestry. The challenge is to take many of these potentials 'to scale', help them to work effectively together, ensure they meet the demands of forest stakeholders, and reduce transaction costs.

There could be a window of opportunity in the GFP. The World Bank's existing forest partnerships² have already proven the power of linking diverse actors with a range of financial resources to meet very challenging goals - both its own 2002 Forest Strategy and partners' objectives. Other partnerships, e.g. between community groups and corporations, or between environmental groups and investment sources, have also demonstrated real benefits. The GFP would raise the level of effort by involving a much wider group than at present.

Tell IIED what you think

The World Bank's plans for the GFP are preliminary, and while at present are better articulated in relation to its own needs than the needs of others, there's a strong desire to build the GFP around other potential partners needs, too. It sees the GFP as a way to: better implement its Forest Strategy; mainstream forestry in poverty reduction strategies and work of its regional departments and the wider WB Group; strengthen forest governance and capacity to make the most of forest-based carbon offsets; streamline available resources strategically at the WB; and offer interactions with partners that will refine the WB's own forest and climate work.

The World Bank is looking for feedback and ideas on the GFP proposal, as well as interest from stakeholders on how the GFP could meet their own needs, and has asked IIED to offer an independent assessment. IIED's primary means for doing this will be consultation with key stakeholders internationally; IIED's analysis of responses and opinions will inform the GFP's further development.

Please debate the GFP idea with colleagues and partners, and engage with this consultation. In this document you will find background information provided by the World Bank on the GFP idea, some questions from IIED to elicit your response, and information on the different ways in which you can be involved.

key elements³

Time is running out

Sustainable management of the world's forests is critical to the achievement of the 2015 Millennium Development Goals (MDGs) on poverty reduction and environmental sustainability, as well as for achieving many recent business commitments on social and environmental responsibility. But time is running out to deliver on these commitments.

Progress has been made in the conservation and sustainable use of the world's forests, but its pace and scale is inadequate. Although a billion of the world's poor (1/6 of the world's population) rely on forests for much of their food, fuel, and income, over five percent of tropical forest area continues to be lost each decade. Meanwhile, deforestation produces 18% of the annual global CO₂ emissions, making it the second largest cause of climate change. International concern about the loss of forests, their unsustainable exploitation, and problems faced by forest-dependent people is rising. Concerted efforts are needed now to raise the profile of forests and investment in improved management.

A new, inclusive partnership arrangement:

Aiming to bring together many organisations to greatly accelerate progress in managing forests, in ways that better meet the MDGs and respond to country demands. For the World Bank, the GFP is viewed as an umbrella to enhance synergies among all of its forest-related activities. Other stakeholders' views on suitable arrangements are sought through this consultation.

Multiple partners:

Government forest agencies especially in developing countries, international and national NGOs, indigenous groups, ODA donors, philanthropic foundations, financial institutions, the private sector, the research community, intergovernmental bodies including relevant CPF members, participants in the Bank's existing global forest programmes, and other members of the World Bank Group, including IFC and MIGA.

Encompassing a wide range of activity:

- knowledge generation
- piloting and mainstreaming of policy and financial innovations
- technical assistance and capacity building
- cross-country sharing of knowledge and experience

In three thematic areas:

- forest livelihoods
- forest markets
- forest-based environmental services

Producing many potential benefits, including:

- Organisational synergies – bringing together partner organisations' resources to raise the profile of forests, broaden each partners' perspective, and create enabling conditions for partners' initiatives in forestry, carbon, poverty, etc to work together in-country.
- Improved availability of financial resources – helping donors to match their contributions with country needs, pooling and coordinating World Bank Group and ODA resources, reducing transaction costs, leveraging both public and private sector investment, and developing and delivering new financial instruments.
- Empowered communities and smallholders – through capacity development, improving their negotiating position, and access to markets and innovative financing mechanisms, eg. avoided deforestation payments.
- Effective implementation of national policy and programmes – through building cross-sector support for forestry, piloting new approaches, integrating forestry into Poverty Reduction Strategies and strengthening civil society and investor participation.

Global Forest Partnership... reason for consultation

Why do we need the Consultation?

To date the GFP idea has been driven by the World Bank. However, enduring and effective partnerships tend to be shaped by the needs, aspirations and limitations of all parties involved. And they will be cognisant of other 'global', 'forest' and 'partnership' initiatives.

Thus there is a strong rationale to consult in developing the GFP idea:

1 Learning from and building on the existing

WB forest partnerships

is key, enabling all partnerships to mature and meet further challenges

2 Engaging further, more diverse stakeholders

will enable the GFP to better identify changing forest needs and apply more resources to tackle them

3 Responding to extra-sectoral interests

such as agriculture, urban and industry can help to secure forest futures by embracing complementarities

4 Ensuring an appropriate niche and fit with other initiatives

whether intergovernmental, including the UNFF Non-Legally Binding Instrument, or national including Poverty Reduction Strategies

Guiding Principles for the Consultation⁴

- Forward-looking, enabling stakeholders to contribute to assessing and refining the GFP idea (but not an open-ended consultation on all forest matters)
- Aiming to reflect the opinions of forest-dependent stakeholders, such as communities and companies
- Building on the previous consultations on the World Bank's forest strategy (but not an exercise to revise that strategy or assess its activities)
- Cognisant of operational needs, particularly the experience of potential partners involved in forest partnerships to date
- Laying out the full range of views, identifying where there is disagreement and uncertainty and any associated risks, as well as agreement (but not a multi-stakeholder negotiation process)
- Transparent, making the findings available in non-attributed form, but also offering opportunities for stakeholders to post attributed comments
- Independent, offering IIED's synthesis of findings and recommendations

⁴Full details of the consultation process are available on www.iiedgfpcconsultation.org

approach to consultation

The Consultation Process

IIED welcomes advice and feedback on the GFP idea from all stakeholders. Inputs are requested by **November 30th 2007**.

Fifteen questions have been designed to trigger your thoughts on the objectives, activities, partners, governance and funding of the Global Forest Partnership - how to make it effective, equitable and credible and build on successes to date. All your answers are welcome, but more importantly we want to hear the answers to the questions which are most important to you. Please feel free to add any other comments which you feel are relevant.

The consultation process invites responses from all interested individuals and organisations. Stakeholders are welcome to reply individually or as a group. Some may wish to hold a workshop beforehand to develop views. A set of Powerpoint slides, as well as other documentation, can be downloaded from www.iiedgfpconsultation.org, or can be sent by email on request to gfpconsultation@iied.org. Consultation documentation will be available in English, French and Spanish, and responses are welcome in these languages.

In addition, by prior arrangement, IIED will interview selected stakeholders in person or by phone, to ensure a balanced representation. This will be done by Steve Bass, James Mayers, Duncan Macqueen, Nicole Armitage, and Yves Renard as well as IIED partners who will be commissioned in several developing countries.

A synthesis of findings will be developed by IIED. It will be sent to all those who request a copy, either online at www.iiedgfpconsultation.org, or on the written questionnaire.

Three ways to respond:

Your responses are welcome through three main media, so please select the method that suits you best:

Paper

Please prepare your response to the 15 questions, together with any additional information you may wish to add. Either post it to:

IIED GFP Consultation
3 Endsleigh Street,
London, UK,
WC1H 0DD

or fax it to **+44 (0) 20 7388 2826**

Email

We can email a copy of the questions that you can read and respond to by return email. Email:

gfpconsultation@iied.org

Website

By visiting

www.iiedgfpconsultation.org

you can download GFP documentation, or pull up the questionnaire and answer the questions on-line.

Global Forest Partnership... preliminary objectives

What the World Bank is proposing...

The GFP would be a new inclusive partnership arrangement, offering a flexible, effective and cost efficient tool for both the World Bank and participating stakeholders. Within the framework of the World Bank's Global Partnership Program, it would serve as an umbrella embracing all the forest-related activities of the Bank, providing it with a shared results-oriented framework. GFP partners would work together towards the following suggested development objectives and targets for 2015:

Proposed Program Objectives:

- Building capacity to understand and act on forest problems
- Producing tools and instruments for reducing forest-related poverty
- Promoting sustainable management of forests, and associated markets
- Enhancing the role of forests in mitigating climate change and securing other environmental services
- Strengthening forest governance

Proposed 2015 operational targets⁵

- **Reduced forest loss:**
300 million hectares of production forests in developing countries sustainably managed and under independent verification
- **Reduced poverty:**
Improved livelihood of 500 million poor forest-dwelling or forest-dependent people in developing countries, on the basis of sustainable forest management and/or agro-forestry
- **Mitigated climate change:**
One billion tons of CO₂ retained in forests as a result of reduced deforestation.
- **Secured environmental services:**
50 million hectares of new protected areas created and 120 million hectares of existing protected areas under effective management.

Tell IIED what you think:

This is the general idea. How does this work for you?

Q1:

Do the programme objectives offer effective and appropriate vision and direction for a global partnership? Where would you focus?

Q2:

Are the associated targets helpful and realistic? If not, please suggest better ways to assess progress and ensure accountability.

Q3:

What is the single most useful thing that a global partnership could do? How would that contribute to the World Bank's overarching goal of poverty reduction?

Q4:

What is the biggest risk associated with setting up a global partnership - and how should it be handled?

Global Forest Partnership... possible activities

What the World Bank is proposing...

The GFP would aim to assist countries and stakeholder groups to implement their priorities and plans for sustainable forestry. It would place special emphasis on **best practices** for - and tangible local benefits from - the management of global forest public goods. It would help by making international **financing, information and knowledge** more available. It would pilot, validate and mainstream effective **instruments**. The net effect would be **empowerment** of stakeholders through engagement in a global partnership.

A wide range of possible GFP activity is summarised below. For a few, specific initiatives have already been identified, e.g. the new Forest Carbon Partnership Facility (FCPF) for (n) below and the existing BioCarbon Fund for (o). GFP partners will have further ideas about priority activity areas, and initiatives to deliver them.

Cross-cutting themes

Forests and Livelihoods	Sustainable Production and Markets	Forest Environmental Services and Financing
<ul style="list-style-type: none"> a) Securing forest tenure and use rights b) Supporting sustainable forest-based livelihoods (wood, non-wood, etc) c) Increased agroforestry and tree growing by smallholders d) Supporting community forest management e) Enabling community/ smallholder partnerships with the private sector f) Facilitating access to markets and investment g) Capacity building of forest communities and smallholders 	<ul style="list-style-type: none"> h) Promoting products from legal and sustainably managed sources i) Supporting sustainable plantation development j) Developing natural forest sustainable management tools k) Independent certification and verification of forest operations (legal compliance and sustainability) and chain of custody (product origin) l) Strengthening small and medium-sized forest enterprises and their networking m) Delivering innovative financing mechanisms for sustainable production forestry 	<ul style="list-style-type: none"> n) Payments for avoided deforestation o) Payments for afforestation/ reforestation p) Market-based and other payment schemes for environmental services q) Sustained financing mechanisms to establish and maintain protected areas r) Landscape-based approaches for ecosystem management s) Protected area management systems

Tell IIED what you think:

These proposals cover a very broad range of activity. So...

Q5:

What top five activity areas should be priorities for the GFP?

Please identify five from the list (a)-(s), and suggest others that may be missing.

Q6:

What particular initiatives - such as the FCPF - are best placed to deliver on your top five activity areas?

Please explain how.

Q7:

Might your organisation be able to contribute to certain GFP activities?

Please suggest examples.

Global Forest Partnership... **possible partners**

What the World Bank is proposing...

The World Bank and its current forest partners have developed the GFP idea to date. But they are open to a wider partnership, which this consultation will help to explore.

It is anticipated that GFP participants will be of three main types:

- 1 Programme partners -**
who are collectively responsible for shaping and governing the core, global programme (including co-sponsoring institutions and main financial contributors)
- 2 Financing partners -**
who contribute to core or programme costs but are not involved in governance
- 3 Implementing participants -**
who help to deliver the programme with joint or commissioned activities, usually at country level.

A wide range of partners could potentially be involved: (inter)governmental, NGO, CBO, private, and research - both in forestry and in other sectors which need to achieve synergies with forestry and reduce threats to it, including agriculture, water, energy, infrastructure and transportation.

Commitment to agreed GFP objectives and targets would constitute the common platform for partnerships. Participation would take place under appropriate contractual arrangements. Activities could be implemented, for example, through programmes that are embedded in Country Assistance Strategies or regional/global initiatives including activities of partners and participants negotiated at the country level with demonstrated host country ownership. The World Bank considers that it offers a comparative advantage to initiate a Global Forest Partnership, having considerable convening power, cross-sectoral capacity, global geographic coverage, and presence in client countries. GFP would place special emphasis on assisting Bank client countries to incorporate the main recommendations of their National Forest Action Plans into longer term development strategies.

Tell IIED what you think:

Is this the kind of partnership that is needed?

Q8:

**Who are the 'must-have' partners at Programme, Financing and Implementation level?
Why should they be involved?**

Q9:

**What role would you welcome the World Bank playing in the GFP, including its existing forest partnerships?
Any suggestions for improving its approach?**

Q10:

If you consider your organisation to be a potential partner, how do you see it playing its role, and under what conditions?

Global Forest Partnership...

GFP governance

What the World Bank is proposing...

The GFP is all about **integration** – of forest goods and services into national and sector investment, of many partners' objectives, of funds, and of technical support. The governance challenges are significant. The GFP's governance arrangements have not yet been drafted, pending this consultation. Elements that have been discussed include:

- 1 A multi-stakeholder governing council -**
drawn from partners - for defining and revising GFP programme strategy
- 2 A consultative group -**
with good representation of stakeholders - for ensuring programme relevance, ownership and development effectiveness
- 3 A technical advisory group -**
for independent guidance on GFP implementation, entrusted to monitor progress and performance based on verifiable indicators
- 4 A unified forest trust fund -**
linking the multitude of current WB forest related trust funds
- 5 A GFP secretariat -**
for day-to-day coordination with the World Bank's regional and country departments and others, administering substantial trust funds, managing operations according to annual GFP business plans, and reporting on outputs/deliverables
- 6 Supplementary provisions -**
where necessary for individual GFP programmes and initiatives
- 7 Significant inclusion of developing countries in GFP governance -**
especially to improve program relevance, ownership and development effectiveness; and to link global public goods from forests to tangible local benefits to stakeholders.

Tell IIED what you think:

This is the initial thinking about a possible governance structure. Full design is needed to enable effective contributions to the GFP – and increase the benefits stakeholders would gain from the GFP.

Q11:

Please suggest lessons from partnerships to date that would offer good guidance in developing the GFP, e.g. ensuring equitable representation, accountability, diligence, effectiveness, and efficiency.

Global Forest Partnership... **funding**

What the World Bank is proposing...

The GFP is envisaged as offering a portfolio approach to funding. Anticipated GFP funding sources currently include ODA grants, multi-donor institutions, private foundations, NGO contributions, and the World Bank's Development Grant Facility.

Existing partnership programmes for forests already benefit from contributions from many such sources, but often under cumbersome trust fund arrangements. For increased harmonisation and to reduce transaction costs, one GFP idea is a unified, single pool fund. Contributions would be received as unrestricted funds, in convertible currencies, untied to specific country rules. The possibility of other direct funding arrangements between a donor and a recipient may also be provided, as long as the commitment to GFP's common objectives and activities were maintained.

New sources to be tapped include deals-based sources of carbon financing. The new Forest Carbon Partnership Facility for piloting avoided deforestation schemes will be managed under a separate arrangement, which could be closely associated with the GFP's governance structure. GFP is expected to raise a significant amount of resources for analytical services, technical assistance and catalytic work for country-level readiness and piloting avoided deforestation schemes.

Opportunities also exist for raising a significant amount of funds for forests by developing new instruments to tap funding sources that have not traditionally been invested in forests to date. An example is a broad environmental fund ("Green Fund") which, through issuing bonds on the capital markets, could become a major source of new financing as demand for such instruments is perceived to be strong. GFP, together with relevant Bank departments, would help to develop such instruments.

The budget required to achieve the GFP's ambitious aims has not yet been estimated - a job that might best be done by partners.

Tell IIED what you think:

Does this early vision of potential funding sources for GFP match up with your understanding of what is needed to achieve GFP's objectives?

Q12:

What do you think are the biggest financial constraints for improving forest livelihoods, markets and environmental services that GFP might tackle?⁶

Where should GFP concentrate?

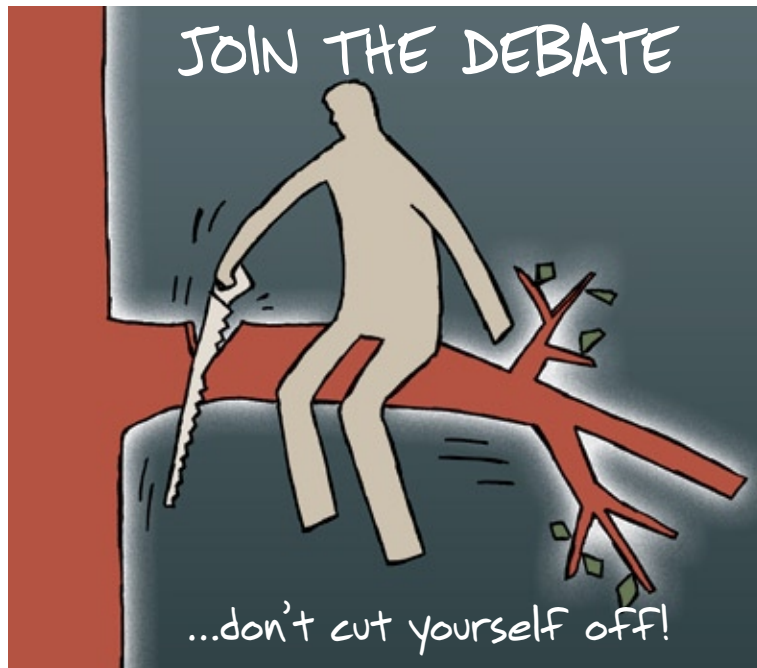
Q13:

How should GFP manage funds available to it?

What is your view of a single pooled GFP fund?

⁶ For example: (a) limited sources of finance accessible to forest stakeholders, (b) untenable conditions under which finance is available, (c) limited financial advisory services, (d) price instability, (e) limited markets, (f) lack of insurance products, (g) weak buyer-seller relations and/or intermediaries, (h) other.

Global Forest Partnership... **join the debate**



Establishing an effective partnership is one of the ways that the World Bank believes it can drive forward the commitments in its 2002 Forest Strategy. The GFP will go forward in some form, but there is a real window of opportunity NOW to explore the best model for an inclusive, effective partnership.

For more information:

Consultation documents are available online at www.iiedgfpcconsultation.org
or email us on gfpconsultation@iied.org
and say which version you would like
- English, French or Spanish.

Download a Powerpoint, to help you consult
with colleagues, on www.iiedgfpcconsultation.org
or email us on gfpconsultation@iied.org
- specify English, French or Spanish.

The World Bank's 2002 Forest Strategy
and other documents can be downloaded on
www.worldbank.org

Tell IIED what you think:

Q14:

To conclude this consultation we would like to ask you to summarise your views. For each of the following five statements, please offer your opinion, from strong agreement to strong disagreement

- 1 The GFP is likely to improve empowerment of forest-dependent stakeholders
- 2 The GFP is likely to support country-driven policies and plans for forestry, poverty reduction and the environment
- 3 The GFP is likely to add value to existing international initiatives in forestry, poverty reduction, and the environment
- 4 The GFP is likely to improve the World Bank's forestry roles
- 5 The GFP is likely to be a good means for channelling and harmonising a variety of financial sources for forests

GFP Consultation additional comments?

If you feel we haven't asked the right questions, or have any comments about this process, please let us know. Our contact details are on the back page – alternatively respondents using the website www.iiedgfpcconsultation.org, will have an opportunity to comment online.

Many thanks for your help!



The World Bank has proposed a Global Forest Partnership to improve forest livelihoods, forest markets, and forest environmental services. The GFP would link many partners in raising the profile of forests, and in meeting fundamental governance, capacity and finance needs in developing countries. Its aims are ambitious, but details have yet to be sorted out and there is real scope to shape the initiative.

The World Bank has asked IIED to offer an independent assessment of the GFP idea to date. IIED's main means for doing this will be consultation with key stakeholders. Your input is very welcome. This booklet outlines how you can offer your views.

Contact Details:

GFP Consultation
IIED
3 Endsleigh Street
London WC1H 0DD, UK

Tel: +44 (0) 20 7388 2117
Fax: +44 (0) 20 7388 2826
Web: www.iiedgfpconsultation.org
Email: gfpconsultation@iied.org



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