



Assessing and Monitoring Forest Governance: Challenges, Diagnostics Tools, Testing experience in Russia

*Presentation based on materials of Moscow workshop (Russia)
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CHALLENGES



The Bank's Forests Strategy and operational policy

- approved by the Executive Board of Directors in October 2002

Based on three equally important pillars:

- ✓ economic development,
- ✓ poverty reduction, and
- ✓ protection of global forest values.

2



COSTS of POOR GOVERNANCE in Forest Sector?



- **Ecological:** Unplanned and inappropriate deforestation, depletion of resources important to rural livelihoods and loss of ecosystem services
- **Economic:** Loss of billions of dollars annually in evaded taxes, illegal logging and other forest crimes
- **Social:** Human displacement, conflicts and violence and compromising the traditional rights and beliefs of forest dependent communities
- **Political:** Corruption contagion and loss of credibility of governments

3



Growing interest in forest governance



- For REDD+ (Reduced Emissions from Deforestation and Forest Degradation)
- For FLEGT
- EU Timber Regulation and US Lacey Act
- EU ENPI East Countries and Russia – FLEG
- International processes e.g. Forests Europe, UNFF etc.
- For private investors, corporate responsibility
- For civil-society participation

4



The Forests Portfolio



Since 2002...

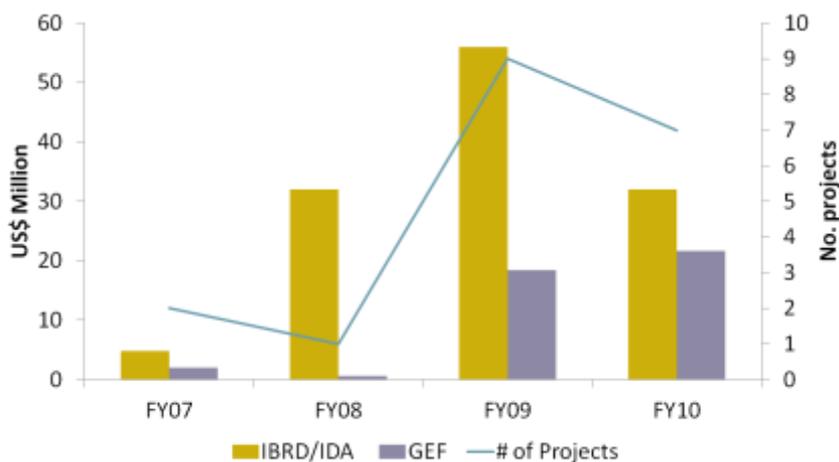
- the Bank has committed \$2.8 billion to forests investments (mostly IBRD, IDA, GEF)
- currently active portfolio: 52 operations (total \$835 million*):
 - of which seven regional operations
- about \$200 to \$300 million in new business a year; turnover is about 4 years.
- forest law enforcement and governance: 11% of portfolio**

* includes FY12 portfolio estimate

** XI/2005 survey

5

Environment and Natural Resources Law Enforcement Portfolio



6



Bank's Approach to Developing a Governance Diagnostics Tool



- Measure WHAT?: Governance in the broad sense of the term.
- WHY?: As a foundation for rational reform, and as a way to track progress of reform.
- HOW?: Through direct or indirect “actionable” indicators, evaluated by stakeholders in a way promoting consensus on needed action.
- For WHOM?: With the sponsorship of government, but with results that can be used by many.

7



History of Development of Bank's Indicator Work



- Origins go back to a 2002 paper on indicator development
- Initial “WHAT to measure” set out in 2009 paper *Roots for Good Forest Outcomes* (it provided a better insight into what constitutes “ideal” forest governance).
- Initial tool created in 2010 and tested in three African countries
- “WHAT” revised through ***Stockholm Process***

8



Stockholm Process (2)



- The common framework is organized as 3 pillars of governance: good policies, laws, and institutions; good decision-making processes; and good implementation.
- Each pillar is divided into more specific components and subcomponents.
- The whole framework reflects six underlying principles of good governance: accountability, effectiveness, efficiency, equity/fairness, participation, and transparency.
- The tool is flexible, relatively inexpensive to use, and adaptable to many contexts. It can be rolled out in a matter of months

9



Motivation for Russia project



RUSSIA

- Information available through Russian participation in the Stockholm process
- Strong support by the FFA
- Momentum created through the EU ENPI East + Russia -FLEG Phase I work
- Keen interest to be the first boreal country to test an internationally developed framework

10



Russia is important to the refinement of this tool



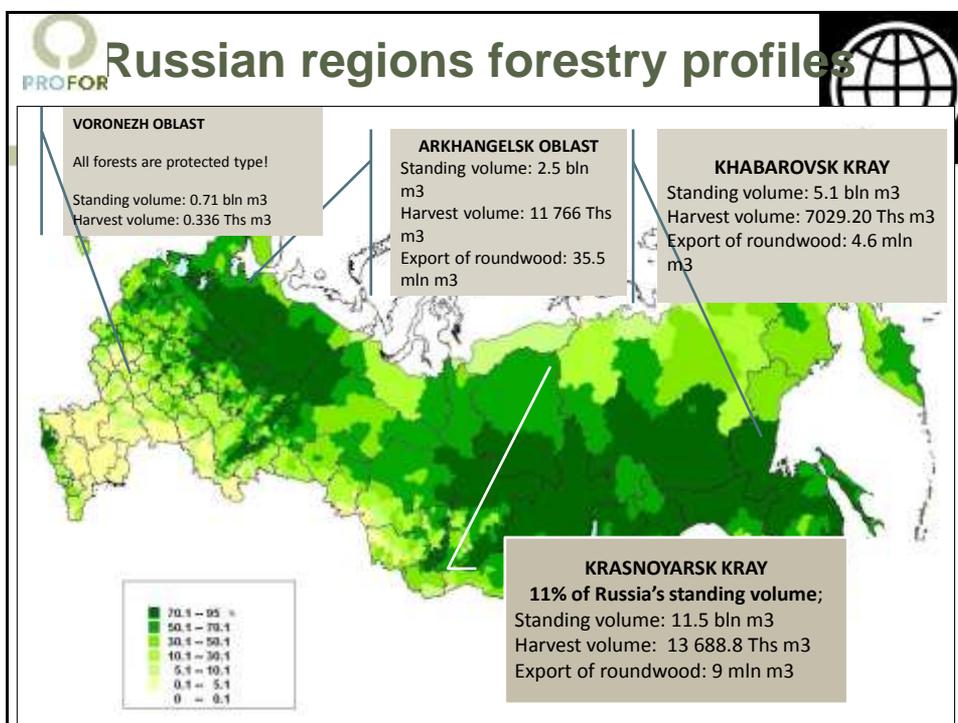
- First use in country with boreal forests
- First in a country with significant forest resources, industry, exports and trade
- Implications for the introduction of the EU Timber Regulation and the US Lacey Act
- First use of a series of sub-national workshops to cover different forest types and different sets of constraints
- First use with a customized “home-grown” approach
- The tool is flexible, relatively inexpensive to use, and adaptable to many contexts. It can be rolled out in a matter of months

11



ENPI FLEG Activities in Russia





PROFOR Importance and usefulness for Russia 

- Offering international perspectives on governance
- Offering insights into needed reforms
- Providing input to Phase II of ENPI FLEG
- Providing indicators to monitor progress with repetition of the tool in 3-4 years

15



Suggestions for taking the work forward in Russia



- Use results to further identify key constraints to the sector
- Use results to feed into the new Policy Formulation Process recently commenced
- Deciding upon a course of action
- Developing set of indicators to monitor progress
- Beginning implementation
- Use process to increase professional and public awareness

16



Next Steps in the Bank's Governance Program



- Additional field-implementation—Brazil, FCPF countries
- Explore application in ENPI East countries
- Align with international monitoring requirements for REDD+ , FLEGT-VPA, etc.
- Continue raising FLEG issues on the international agenda
- Create an active forest governance community of practice-(Expert group meeting at FAO, June 6-7, 2012).
- Revise and improve the international Framework (a toolkit *Assessing and Monitoring Forest Governance: A user's guide to a diagnostic tool* published by PROFOR in June 2012)

17

EU funded ENPI FLEG Program

- **Organization:** the World Bank in partnership with IUCN and WWF
- The **overall objective:** to contribute to legal and sustainable forest management and utilization practices, a strengthened rule of law and improved local livelihoods, focusing on environmental sustainability, human rights aspects and gender equity
- The **specific purpose:** improved forest governance arrangements through the main priorities of the ENA FLEG Ministerial Declaration, with the support of selected pilot activities and with the active involvement of governments, civil society and the private sector.
- **Main target groups:** **Multi-stakeholders in 7 countries** (Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine, and Russia + the Region and CAS are invited as observers to program regional events)
- **Main area of work:** **Policy/legislative/regulatory frameworks**
- **Main local partners:** Government, NGO and business in each of the country (NPAC)
- **Dates of implementation:** 2008-2012
- **Budget:** Euros 6 m plus Euros 300 000
- **Funding partners :** EC, ADA; parallel activities: WB, DFID and Korea

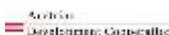
WWW.ENPI-FLEG.ORG



ENPI FLEG
www.enpi-fleg.org

Anticipated ENPI FLEG Program Results Areas

1. Increased awareness and commitment of key stakeholders on FLEG
2. Effective national and regional FLEG action processes in place
3. Increased national ownership and capacity
4. Improved regional and sub-regional collaboration and knowledge sharing
5. Effective engagement of key trading partners
6. Continuation of the formal official Europe-North Asia FLEG process
7. Sustainable forest management practices implemented



ENPI FLEG
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Russia Work Plan Components

- ✓ Improving the FLEG regulatory and legal framework and its enforcement (**IUCN, WB, WWF**)
- ✓ Improving the FLEG planning and monitoring at the national, regional (local), and interagency levels (**WB, WWF**)
- ✓ Causing specific FLEG actions to be implemented by lead Russian forest companies and their international trading partners (**WWF**)
- ✓ Safeguarding the rights of local communities and small businesses to forest resource use (**IUCN**)
- ✓ Increasing transparency of actions and raising the public awareness (**IUCN, WWF**)

ENPI FLEG
ENPI FLEG Project



Academy
Development Cooperation

20



An additional area: Forest fires and illegal logging in Russia

- Assessment of the proneness of extensive drying out forest stands to fire in Russia
- Key measures to prevent forest fires in extensive drying out forests
- Assessment of fire danger arising from various social groups during their stay in forest (within a forest district/range)

This area is included in Forest Project 2

ENPI FLEG
ENPI FLEG Project





The program acted as a catalyst to mobilize additional resources

The Forest Fire Response Project (Forest Project 2):
includes a set of activities to address FLEG issues.
Key documents have been prepared.
The negotiations conducted in May 2012
Project launch is scheduled for later this year









The program acted as a catalyst to mobilize additional resources



The Forest Governance Diagnostics Project:

- Identify bottlenecks in forest governance
- Define out priority reforms needed to attain good forest governance
- Monitor reform results
- Adapt the tool and learn lessons to refine it

23



Forest Governance Assessment Tool Piloted in Russia

