

# Strengthening Forest Law Enforcement and Governance: World Bank Approach and Experiences

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Tapani Oksanen, Senior Forestry Specialist  
The World Bank

# World Bank's Role in Forest Law Enforcement and Governance

- The 2002 Forest Strategy commits the Bank to collaborate with borrower countries and partners to reduce by half the financial losses from illegal logging by 2013
  - Economic losses
  - Social impacts (indigenous communities)
  - Environmental impacts (encroachment of protected areas)
- The Bank's Forests Team in the Agriculture and Rural Development Department has a FLEG team which coordinates specific FLEG related activities & collaborates with key staff in the Regions and Country Offices

# World Bank's Role in Forest Law Enforcement and Governance

- Since 2001 the Bank has:
  - Acted as coordinator/secretariat for Regional Ministerial processes (S-E Asia 2001, Africa 2003, & Europe and Northern Asia 2005) and provided support for their follow-up
  - Incorporated illegal logging into the policy dialogue in borrower countries (e.g. Indonesia, Cameroon, DRC)
  - Supported illegal logging related action in 32 (out of 51) forestry projects (IBRD, IDA, GEF) for an estimated amount of 280 million USD (about 11% of total project cost), including stand alone projects and forestry components in broader projects
  - Initiated in 2005 a process to mainstream illegal logging related issues into broader governance programs and develop a corporate approach

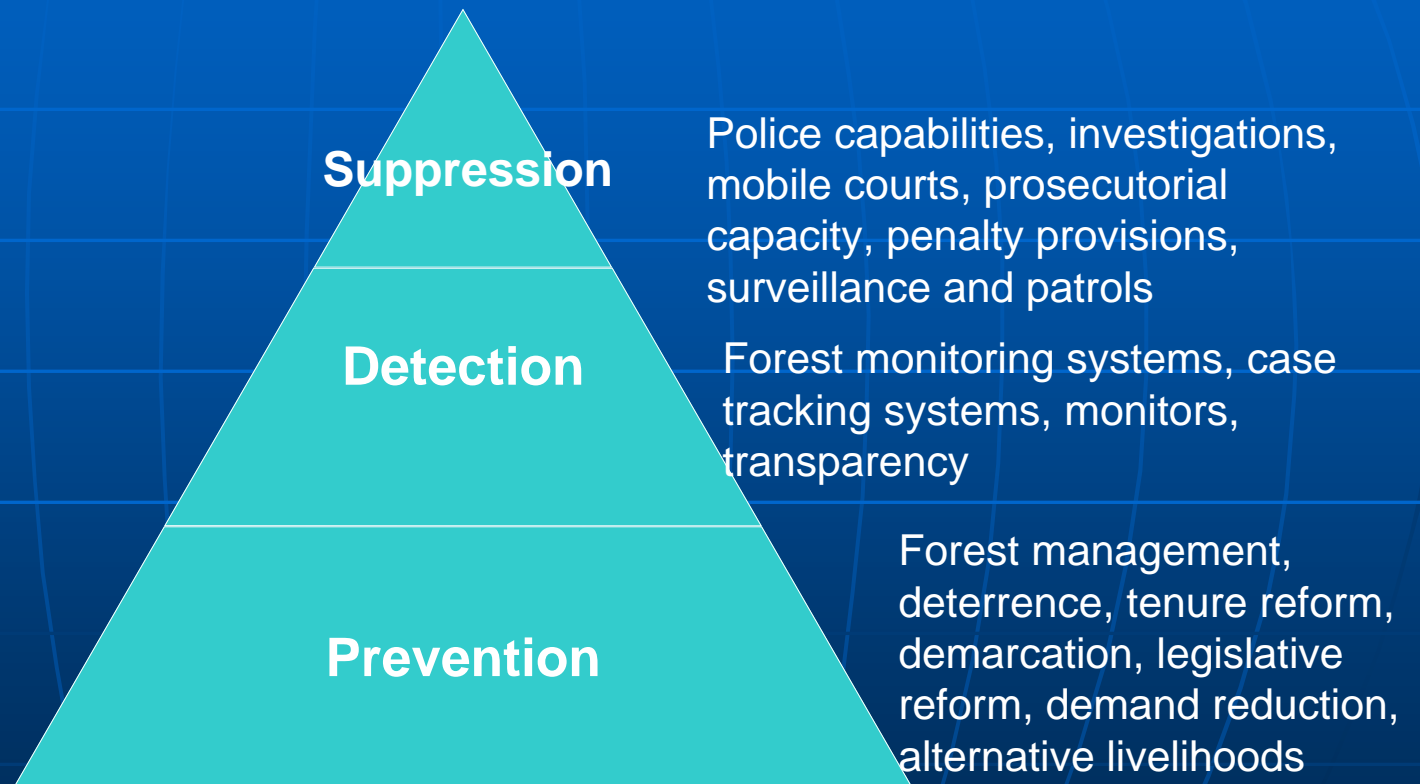
# FLEG in World Bank Forestry Portfolio, by Region

Region	Total Number of Projects	Number of FLEG Projects	Total Cost (US millions)	Cost as % of Total Forestry Portfolio	Bank Commitment (US millions)	FLEG Amount (US millions)	FLEG as % of Total Forestry Portfolio	FLEG as % of Total FLEG
<b>AFR</b>	9	5	515.1	19%	289.7	108.9	21%	35%
<b>EAP</b>	8	7	772.9	29%	431.1	40.3	5%	13%
<b>ECA</b>	11	9	396.5	15%	265.6	32.7	8%	11%
<b>LCR</b>	19	13	691.9	26%	328.8	123.1	18%	40%
<b>MNA</b>	3	0	203.5	8%	139.5	0.0	0%	0%
<b>SAR</b>	1	1	127.1	5%	108.2	5.8	5%	2%
<b>Total</b>	<b>51</b>	<b>35</b>	<b>2707.0</b>	<b>100%</b>	<b>1562.9</b>	<b>310.8</b>	<b>11%</b>	<b>100%</b>

# Emerging Directions of the Bank in Forest Law Enforcement and Governance

- Linking Forestry to Broader Governance and Anti-Corruption Work
  - Public Sector Governance
  - Governance and Anti-Corruption Diagnostics
  - Legal and Regulatory Reform
  - Financing Private Investment
  - Corporate Social Responsibility
  - Anti-Money Laundering/Asset Forfeiture
- Systematically integrating forest law enforcement and governance issues in country forestry dialogues in problem countries
- Targeting knowledge management to achieve synergies with other Bank operations

# Operational Elements of Forest Law Enforcement and Governance



# Prevention

- Supply-demand imbalances
- Quality of legal and regulatory frameworks within and outside the forest sector
- Institutional structures and incentives
- Forest monitoring and information disclosure
- Capacity building and awareness

# Detection

- Monitoring and surveillance to determine if and where crime is occurring
- Establishing a process to assess institutional weaknesses that create opportunity for timber theft
- Collecting evidence and documentation
- Establishing crime monitoring systems
- Use of independent forest monitors



# Suppression

- Last recourse
- Almost always involves use of force
- Risks need to be assessed in light of the probability of success, accountability and transparency of suppression effort, and skills and training available to law enforcers
- Empirically, suppression of forest crime in developing countries is very limited and essentially ineffectual, providing very little deterrence to further crimes

# Regional FLEG Processes

- FLEG Ministerial Processes have been conducted in Asia (2001), Africa (2003), and the ENA Region (2005), with World Bank support.
- Co-organized by both producer and consumer countries, recognizing a shared responsibility to address a common problem.

# Components of Regional FLEG Processes

- Analytic country-level work to identify issues and options for solutions
- Multi-stakeholder technical meetings where experiences within forest law enforcement and governance are shared, and common agendas identified
- Inter-governmental negotiations for drafting of a ministerial declaration and action plan
- Regional stakeholder meetings as follow-up to ministerial declarations to establish partnerships, share best practices and tackle specific themes (e.g. customs collaboration)

# Role of the World Bank in Regional and International FLEG Processes

- Using the Bank's convening power to strengthen coordination and collaboration between international forest law enforcement and governance supporters and to engage with private sector actors and importing or intermediary countries in the forest products chain.
- Promoting linkages between the FLEG processes and initiatives for forest governance reforms at different levels (e.g. AFP, UNFF, FAO, ITTO).
- Providing analytic support and strengthening linkages between regional FLEG processes and Bank projects and country dialog.
- Using the Bank's global mandate and reach to support integration and follow-up of regional FLEG ministerial conferences into existing regional structures.

# Achievements of Regional FLEG Processes

- Increased awareness of causes and impacts of forest crime
- Established a shared sense of responsibility among both producer and consumer countries
- Provided understanding of the distinct roles of various stakeholders
- Created political platform and momentum
- Helped identify priority actions and facilitated exchange of experiences and best practices
- Created some level of basic data on forest crime as basis for multi-stakeholder discussions and as means for establishing baselines to monitor progress
- Provided a network of information sharing
- Influenced the incorporation of illegal logging and forest crime into several regional processes

# Annex: FLEG in Bank Projects and Portfolio

# Examples of FLEG in Bank's Portfolio:

## *Prevention*

- **Legal and regulatory reform in forest sector** (Madagascar, Bosnia-Herzegovina, Croatia, Georgia, Romania, Argentina, Bolivia, Mexico)
- **Improving revenue collection, concession systems** (Congo Rep., Ghana, Tanzania, Cambodia, Georgia, Russia)
- **National-level forest management plans and protected-area plans** (Ghana, Cambodia, Bolivia)
- **Demarcation of protected areas** (Ghana, Uganda, Lao PDR, Vietnam, Argentina, Brazil, Honduras)
- **Formalization of land tenure rights** (Vietnam, Honduras)
- **Public awareness activities** (Cambodia, Romania)

# Examples of FLEG in Bank's Portfolio: *Detection*

- **Forest management information systems** (Ghana, Lao PDR, Bosnia-Herzegovina, Georgia, Romania, Russia, India)
- **Certification systems** (Armenia, Russia, Mexico)
- **Monitoring in field** (Uganda, Peru)
- **Guard houses, field inspection units, equipment for patrols** (Lao PDR, Bosnia-Herzegovina, Georgia, Ecuador, Mexico)



Thank you

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