



Evaluating World Bank Forest Activity

September 2008

Evaluation history



▶ Forest evaluation in 2000

- 1991 strategy was constraining and ineffective
- Forest components of projects were not consistent with strategy

▶ Desk review and update in 2008 (ongoing)

▶ Related evaluations

- Environment (2008)
- Climate Change (2008)
- Annual Review of Development Effectiveness (on global public goods, 2008)
- Safeguards (2009)
- Range of project evaluations (Madagascar, Cambodia, etc)

Issues to consider



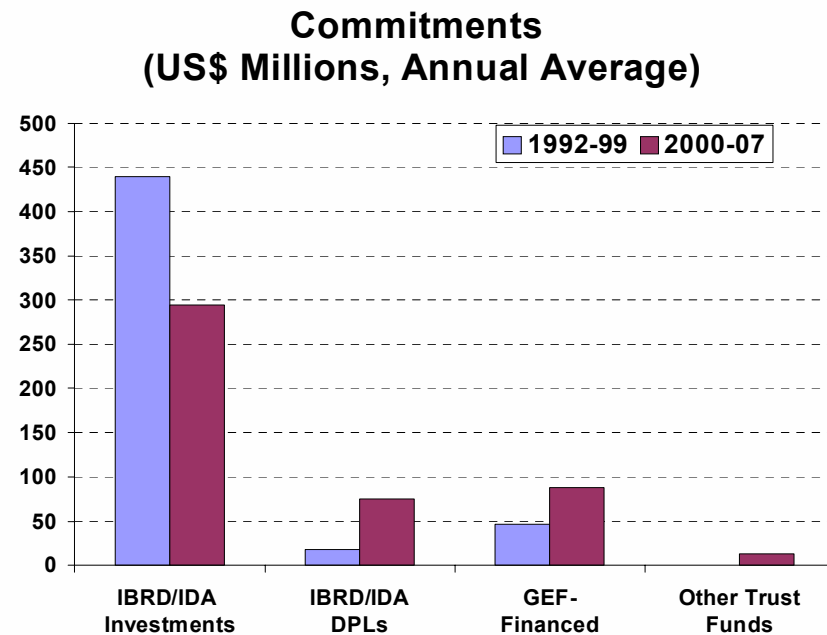
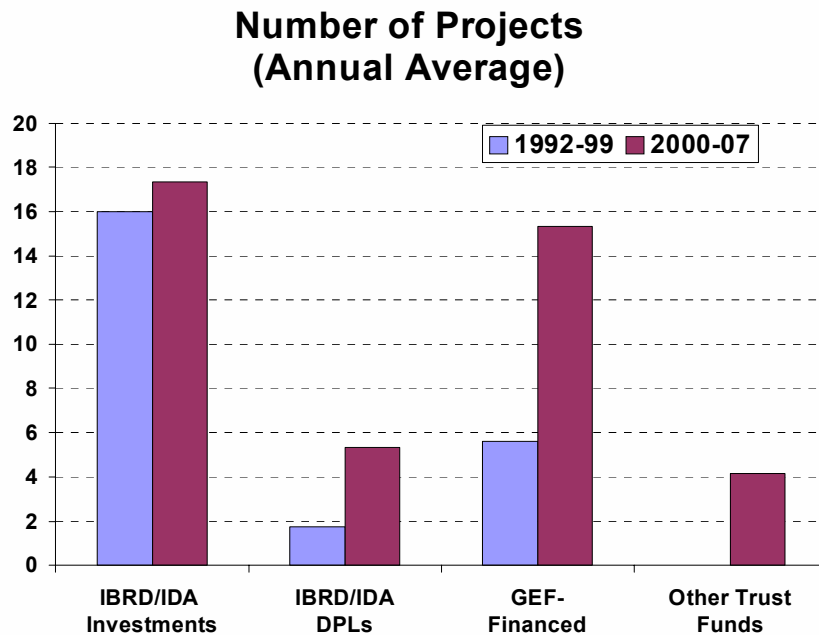
- ▶ **Strategic directions: the 2002 Forest Strategy**
- ▶ **Implementation to date**
 - Lending
 - ESW
 - Partnerships
- ▶ **Results**

World Bank forest strategies 1991 vs. 2002

	1991 Forest Policy	2002 Forest Strategy
Prime goal	Combat deforestation; do no harm	Poverty reduction, growth, and environment
Focus forests	Tropical moist forests	<u>All</u> forest types
Priority areas	Forest-rich countries	Forest-rich and forest-poor
Thematic focus	Resource creation (non-industrial) Biodiversity conservation	Harnessing forests to alleviate poverty Integrating forests into sustainable dev't Protecting local and global forest values
Safeguards	Logging ban in tropical moist forests	Protecting the permanent forest estate Independent verification on sustainable forest management
Implementation	Internal cooperation No internal strategy No incentive structure	Internal strategy developed based on selective engagement with partners

Forest portfolio: More projects, fewer commitments

Figure 1. Bank-Implemented Projects with Forest Components by Source of Financing, 1992–99 and 2000–07

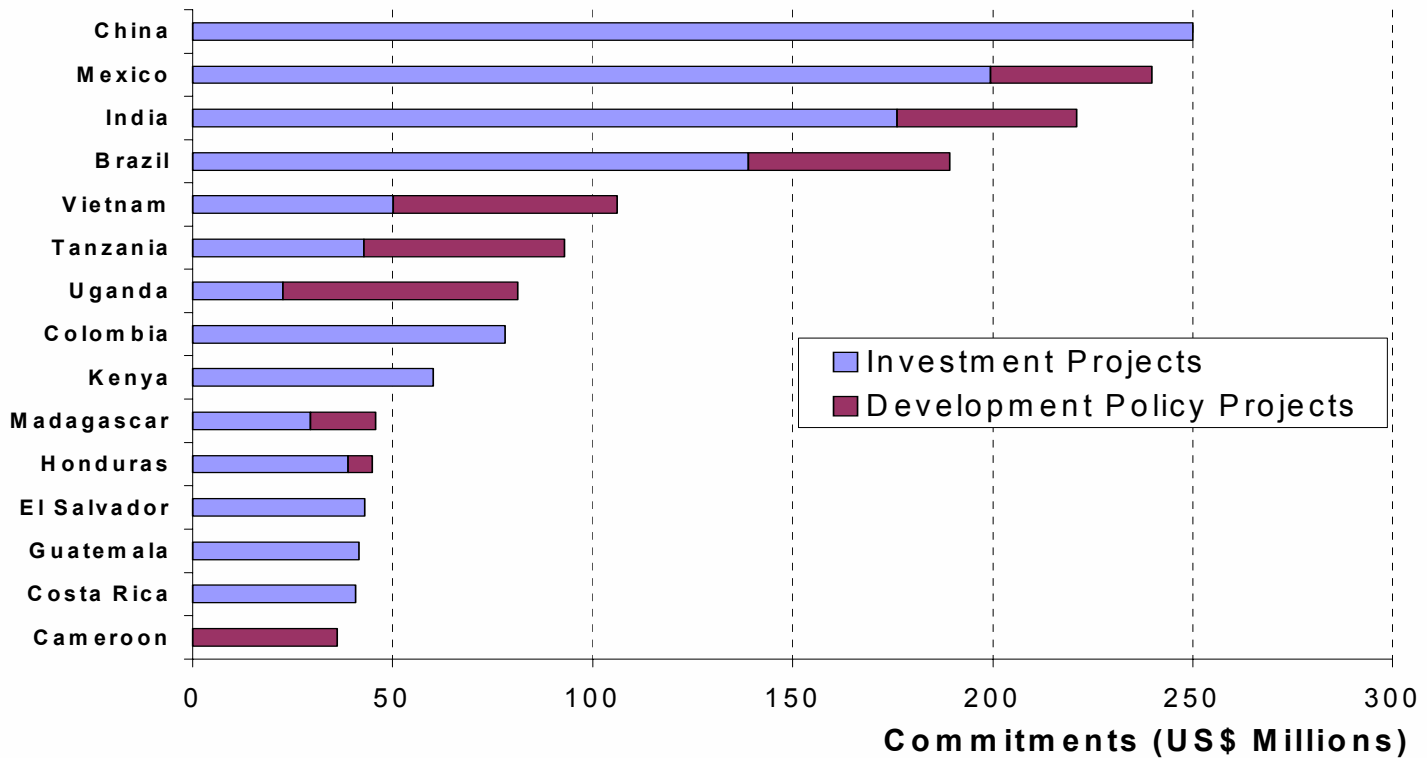


Source: Table 2.

Lending: 40% in 4 countries



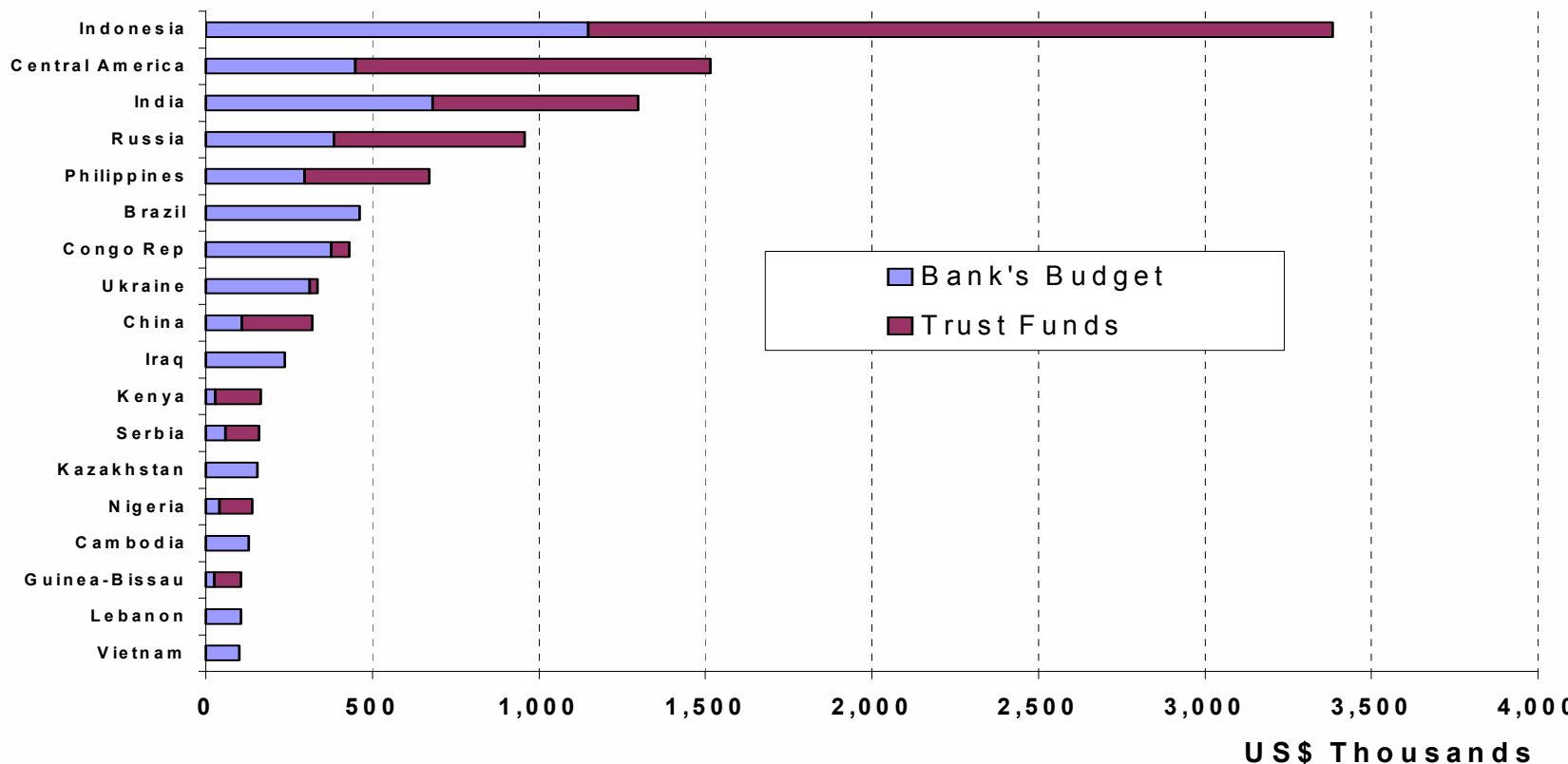
Figure 1. World Bank Forestry Operations, Top 15 Recipient Countries, FY2002–07



Source: World Bank Business Warehouse.

Analytic and TA work: Also concentrated (different countries)

Figure 1. Forest-Related ESW and TA (Regional and Country-Led), FY2002–07



Source: World Bank Business Warehouse.

Some evidence of progress? (but inadequate M&E to judge)

- ▶ **Protected areas** (e.g. Brazil, Madagascar)
- ▶ **Community forests** (Mexico, India)
- ▶ **Forest plantations** (China)
- ▶ **Payments for environmental services** (Costa Rica)
- ▶ **Large scale concessions and forest reform** (Cameroon, Gabon)
- ▶ **Voluntary certification of managed forests** (C. Africa, Mexico)
- ▶ **Forest governance (FLEG)**

The controversial role of forest concessions

- ▶ **Contrary to expectation, no direct investment lending for sustainable logging**
- ▶ **Some loans support forest concession reform – controversial and largely unevaluated impacts**
 - Cameroon appears more successful
 - Cambodia a failure
 - DRC and Gabon: some cancellation of illegal concessions
- ▶ **Analytic work and policy dialogue on forest law enforcement (FLEG)**
- ▶ **As an additional tool, Bank supports certification of > 1 million ha of forest management, mostly in Africa**
 - However, area under certification falls far short of ambitious Bank-WWF alliance targets

Critical Ecosystem Partnership Fund (protected areas)

- ▶ **Sustainability of funding was identified as problem: Critical Ecosystem Partnership Fund launched in 2000**
 - \$125m funding, including \$25m DGF and \$25m GEF

- ▶ **CEPF experience (evaluation in March 07)**
 - Reportedly contributed to the creation or expansion of 9.4m hectares of protected areas in 15 countries
 - Reported gains in protected area management across more than 21 million ha. In 16 countries within 9 hotspots.

Constraints on effectiveness?



▶ External

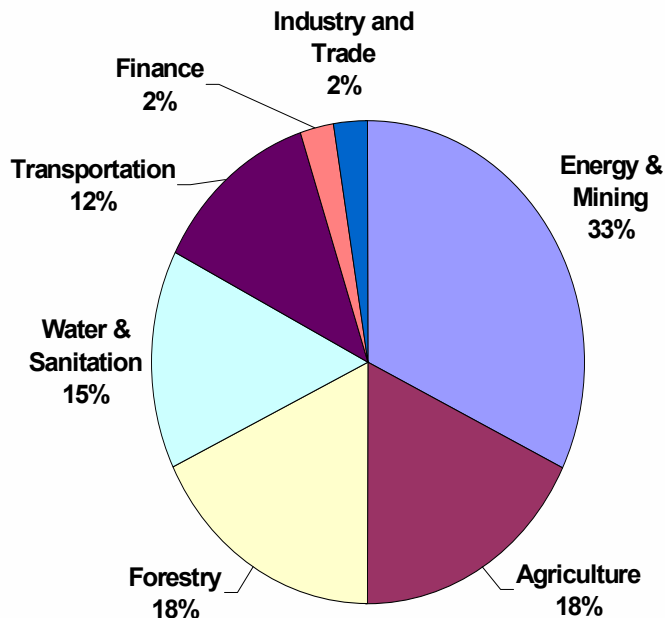
- Limited client demand for lending
- Political economy (particularly in forest-rich countries)

▶ Internal

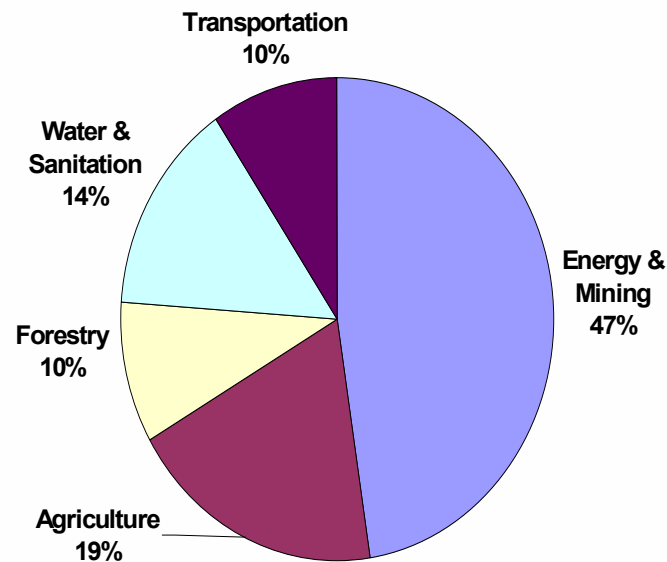
- Weak monitoring and evaluation (both internal and external)
- Uncertain impact of safeguards
- Lack of cohesive WBG view/coordination
- Weak synergies between global partnerships and country-level work
- Staffing

Inspection panel requests and investigations, 1994-2007

Requests Registered (N=40)



Requests Investigated (N=21)



Note: 2 investigations in forest sector (forest lending is ~1% of WB lending)

Global Partnerships:

A wide range of initiatives



▶ Investment programs

- Global Environment Facility (GEF)
- Critical Ecosystem Partnership Fund (CEPF)
- BioCarbon Fund (BioCF)
- Forest Carbon Partnership Facility (FCPF)

▶ Knowledge Generation and Advocacy

- WWF/World Bank Alliance
- Program on Forests
- Forest Trends
- Forest Law Enforcement and Governance Program (FLEG)
- Global Forest Partnership (GFP)

Potential issues surrounding partnerships

- ▶ Donor-driven
- ▶ Weak integration with CASs or country programs
- ▶ Limited engagement of developing countries
- ▶ Little interaction among partnerships

Summary

▶ Preliminary findings (work still underway):

- Strategy
 - *2002 strategy (3 pillars) still relevant*
 - *tradeoffs not fully dealt with*
- Inputs: Lending, analytic work, and partnerships
 - *some progress but less than envisioned in 2002 strategy*
- Many unanswered questions on results and impact
 - *Strong need for better M&E going forward*

▶ We look forward to working with NORAD and other partners to strengthen the focus on results