



PROFOR

INNOVATION AND ACTION  
FOR FORESTS

# GET FOREST SMART



## PROMOTING GOOD FOREST GOVERNANCE IN FOREST AND LANDSCAPE PROGRAMS

### FACT

FORESTRY CRIMES,  
INCLUDING BOTH  
CORPORATE CRIMES

AND ILLEGAL  
LOGGING COST  
BETWEEN

US\$ 50-150  
BILLION

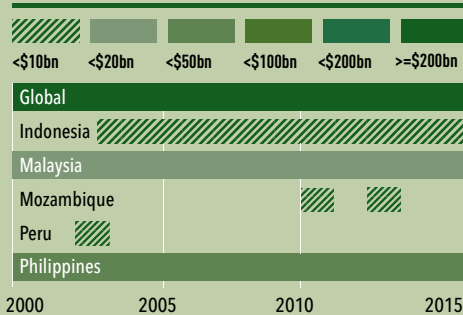
ANNUALLY

(INTERPOL, 2017)

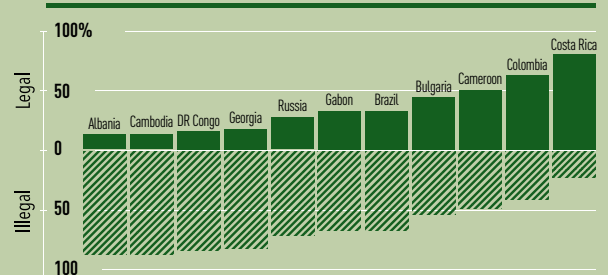
### Context & Facts

- Good forest governance principles, such as adherence to rule of law, transparency and accountability, ensuring inputs from all stakeholder in decision-making, efficient regulations, and political stability, are prerequisites for achieving sustainable forest management objectives.
- Resource mismanagement, illegal logging, and endemic corruption pose daunting challenges to forest-rich countries, and tackling these requires good forest governance.
- Approximately half of the timber exported internationally (22.2 million m3 of round wood equivalents) is derived from forest conversion, and, of that number, an estimated two-thirds is illegally harvested (Chatham House, 2015).
- Illegal logging in nine forest producer countries is estimated to have released 190 million tons of carbon dioxide into the atmosphere in 2013 (Chatham House, 2015).

Estimated financial loss due to illegal logging activities, by country



Estimated percentage of timber production from illegal logging, by country



Source: Thomson Reuters World-Check Intelligence (2016), <https://risk.thomsonreuters.com/en/resources/infographic/global-trends-and-impacts-of-illegal-logging.html>

### How is Promoting Good Forest Governance Forest-Smart?

Forest-smart development makes forest conservation a consideration in all development decisions by boosting:

- **Cross-sector coordination:** Making sure that forest concerns are considered in land-use

decisions on agriculture, mining, urban growth, transportation, etc.

- **Accountability and transparency:** Clarifying who is responsible for decisions affecting forests, and shining light on government policies and decisions that encourage better forest outcomes.



### WHAT IS FOREST SMART?

“Forest-smart” is a development approach that recognizes forests’ significance for sustaining growth across many sectors, including agriculture, energy, infrastructure, and water. It transforms how sectors operate by identifying opportunities for mutual benefit and creating practical solutions that can be implemented at scale. Forest-smart solutions support development outcomes and impact such as improved food security, green growth, and climate change mitigation and adaptation.

- **Participation:** Giving forest-dependent stakeholders a clear voice in actions that affect their livelihoods.
- **Environmental aims:** Giving weight to non-market values of forests and conserving environmental goods for future generations, including ensuring the effectiveness of schemes to reduce greenhouse gas emissions from deforestation and forest degradation (REDD+) in developing countries.
- **Government effectiveness:** Ensuring that governments have the authority and capacity to suppress illegal logging, make sustainable forest management (SFM) plans, and support good forest stewardship.

In order for forests to contribute their full potential to poverty reduction and shared prosperity, countries need a forest-smart approach with the engagement of all stakeholders, including governments at multiple levels.

### Assessing Forest Governance in Mozambique

In Mozambique, PROFOR's forest governance diagnostic has informed the Mozambique Forest Investment Program (MozFIP) project worth \$47 million. PROFOR helped local experts customize a forest governance indicator set for the country, in which a handful of these indicators will be used to monitor progress under MozFIP. Overall, the findings and emerging implications from the use of PROFOR's diagnostic have significantly shaped actions to improve governance in the country.

### PROFOR's Forest-Smart Activities on Forest Governance

Promoting good forest governance is a central tenet of the World Bank's forest strategy and its Forest Action Plan for 2016-2020. Therefore, PROFOR's forest governance initiatives contribute to these respective World Bank strategies, such as improving forest governance and controlling illegal logging, and are linked to efforts to address governance issues under the Forest Carbon Partnership Facility (FCPF) and the Forest Investment Program (FIP). PROFOR seeks to produce knowledge products that will inform Forestry and Governance teams in the World Bank and enable them to apply PROFOR's tools and results to improve forestry and governance operations and new project proposals.

### Assessing Forest Governance in Afghanistan

In Afghanistan, PROFOR helped finance and adapt the forest governance assessment into an institutional and technical capacity diagnostic. The assessment looked at both forests and rangelands, thereby expanding the scope to a large landscape. After applying the tool in Kabul in May 2017, the Government indicated its intentions to conduct a country-wide assessment at the provincial level, a significant step to engage government officials at different levels—an important element in strengthening forest governance.

### PROFOR's Partnership with the Governance Global Practice at the Bank

PROFOR has entered into a partnership with the World Bank Governance Global Practice Group (GGP) to more closely integrate governance and forestry work. Applying a forest-smart approach that enhances work in both global practices, the program is bringing new cross-sectoral knowledge and tools to the forestry sector and creating new

points of entry for governance interventions. The key focus areas of the partnership include community participation and transparency, public financial management and domestic resource mobilization, civil service reforms, and smart regulations for private sector participation.

## What Approach is PROFOR Using?

### 1. Forest Governance Assessments:

PROFOR and FAO jointly developed the Framework for Assessing and Monitoring Forest Governance, offered as an e-learning course. This tool:

- Provides a broad, standard definition of forest governance that enables stakeholders to identify the strengths and weaknesses of the sector in a consensus-oriented workshop; Allows participants to suggest priorities for reform, and informs their existing and future investments;
- Responds to countries' needs; it has recently been applied in Mozambique (see Box 1A), Cote d'Ivoire, and Afghanistan (see Box 1B) to inform investments and climate finance.
- Country demand continues to grow, including in FIP countries such as Myanmar and Guatemala and FCPF countries.

### 2. Illegalities, Organized Crime, and Corruption:

To address urgent and widespread challenges such as illegality, organized crime, and corruption in the forest, fisheries and wildlife sectors, PROFOR is working with experts on coordinating responses. For instance, PROFOR is collaborating with other World Bank global practices to address information gaps and tackle demand-side measures and other factors that exacerbate the problem.

### 3. Capacity Building on Fiscal Policy and Domestic Resource Mobilization:

Several new models are emerging where governments have incentivized the private sector and other actors to improve environmental performance and sustainable forest management. PROFOR is collaborating with partners inside and outside the World Bank to explore fiscal incentives and other measures that can be replicated and scaled up in developing countries with tropical forests.

### 4. Advising on Forest Tenure Security:

PROFOR is creating an analytical framework that can be used by large-scale programs, including REDD+, to assess tenure security and better understand how to accommodate and provide voice to forest-dependent communities on the issue of land rights (see Forest Smart brief on Forest Tenure).

Interested in learning more? Contact our communications focal point: Laura Ivers: laivers@worldbankgroup.org

The Program on Forests (PROFOR) multi-donor partnership generates innovative, cutting-edge knowledge and tools to advance sustainable management of forests for poverty reduction, economic growth, climate mitigation and adaptation, and conservation benefits. Through its programs, PROFOR is advancing forest-smart development, which recognizes forests' significance for sustaining growth across many sectors, including agriculture, energy, infrastructure, and water.



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