GLOBAL RESPONSE TO ILLEGAL LOGGING AND ASSOCIATED TRADE

World Bank

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Structure

- Basic Strategies
- Bank Operations
- Knowledge and Tool Development
- Global Partnerships
- Case: engagement in Eastern Europe and Russia
BANK STRATEGIES
Two key strategies

- World Bank Forest Strategy 2002
- Governance and Anti-Corruption (GAC, 2007, update 2012)
BANK OPERATIONS
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
Environment and Natural Resources Law Enforcement Portfolio

US$ Million

FY07 FY08 FY09 FY10

IBRD/IDA GEF # of Projects

No. projects
Examples

- Lao PDR: support setting up Department of Forest Inspection (DOFI)
- Madagascar & Benin: protected areas management projects
- Brazil: environmental management systems
- Viet Nam: watershed protection in hydro project
- China: strengthening management planning
- Russia: forest fire response project
The 2012 portfolio includes:

**Forests**
- 19 projects
- IBRD/IDA $97 m & GEF $19 m

**Fisheries**
- 18 projects
- IBRD/IDA $126 m & GEF $43 m

**Wildlife**
- 13 projects
- IBRD/IDA $15 m & $20 GEF
KNOWLEDGE AND TOOL DEVELOPMENT
PROFOR

- a multi-donor trust fund at World Bank, established 2002
- support from: EU, Finland, Germany, Italy, Japan, Netherlands, Switzerland, United Kingdom, World Bank
- continues work of FLEG trust fund established for Ministerial processes
knowledge as a public good
field support

Burkina Faso

www.profor.info
Not only forest sector...

- land management and governance
  - land-based investments ⇒ logging to clear land
  - land demand* 4.5–10.2 mill. ha/yr. ⇒ 2.7–8.7 mill. ha/yr. forest cover loss

- methodological work on
  - public sector reform and financial management
  - anti-corruption
  - stolen asset recovery, anti-money laundering, EITI

* food, feed, fodder, IIASA (until 2020), IFPRI (2030)
GLOBAL PARTNERSHIPS
Enforcement

- International Consortium on Combating Wildlife Crime (ICCWC)
  - WB, CITES, INTERPOL, UNODC, WCO
  - environmental law often small component in organizations’ mandate
  - illegality often linked to other sectors
  - first activity: training in controlled deliveries (2011)
Carbon/REDD

- Forest Carbon Partnership Facility
- Forest Investment Program
  - REDD is dependent on good governance
  - is REDD becoming new opportunity for illegal actors ⇒ prevention and risk management
CASE: EASTERN EUROPE AND RUSSIA
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](http://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
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 Activities in Russia
Tangible and timely help to forest business

- to improve the timber legality verification systems
- to adapt to new legislative initiatives related to timber trade
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
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 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
Forest Governance Assessment Tool Piloted in Russia
Contribution to FLEGT Process

- Trans boundary timber flow regional workshop – by WWF in Georgia
- Forest certification support
- Policy and legislative dialogue
- EU FLEG Regulation and its impacts on enterprises and trade (Russia, Ukraine, Regional)
- Russia - EU bilateral dialogue
- Professional Training
- Public awareness
What needs to be done

- Continue processes started, especially policy + legislation
- Behavior change, public awareness, certification
- Increase regional cooperation e.g. China-Russia-Japan
- Roll out use of ICT
- Support EU Timber Trade Regulation + US Lacey Act
- Real community forestry
- Keep FLEG & FLEGT on international agenda
Thank You!

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