



## Advisory Board Meeting February 2-3, 2009

### Overview and Action Points for Follow Up

PROFOR held its sixth Advisory Board Meeting at World Bank Headquarters in Washington, DC on February 2 and 3, 2009. The Board discussed a range of issues including the latest developments of forest activities at the World Bank, the state of PROFOR 2008 portfolio and key outcomes, the alignment of the Forest Law Enforcement and Governance (FLEG) initiative with PROFOR, administrative issues related to continuing the Trust Fund beyond its FY2010 end date, and the work plan for the coming year. The group also heard from a broad range of authors of PROFOR-funded activities, both completed and upcoming. (See Annex 1 for the Agenda and Annex 2 for list of participants).

Throughout the two days of discussion, the Advisory Board took the following decisions:

- Approved the alignment of FLEG and PROFOR. Approved the revised operational guidelines reflecting the alignment.
- Accepted activities proposed under catalytic and programmatic windows, and topics under the Requests for Proposals window, requesting that PROFOR ensure each activity adds value. Accepted proposed FLEG work program.
- Agreed to renew existing administrative agreement after FY2010.

The following points were identified for follow-up by the Secretariat:

#### Work Program

- Continue to focus on knowledge pieces that bring together clusters of work – in particular, collaborate with NFP on a cutting-edge piece on forest financing
- Evaluate usefulness of potential proposals from IFC in context of larger portfolio
- Improve transparency of choice of activities under the different windows, with explicit reference to the fact that activities are subject to World Bank procurement rules. Seek to include external reviewers for submissions under the Request for Proposals.

#### Activity Implementation

- Ensure that PROFOR activities are mainstreamed into relevant regional political processes (e.g., Mozambique work on climate change into SADC). Identify these processes in project design so that they are included in activity dissemination strategies
- Play a role in linking PROFOR activity proponents with external options for dissemination (e.g., Forest Connect with EC FLEG website, and community-based forestry work with ITTO). Continue to build connections between and undertake work that builds upon, donors' activities
- Consider clustering in impact monitoring.

#### Communications

- Increase donor visibility by including donors' logos on all material managed by the Secretariat, including the website
- Improve communications on PROFOR yearly portfolio internally and outside the Bank (through a detailed description and a document providing noteworthy highlights)

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**PROFOR is a multi-donor trust fund supported by:**



*This document was prepared by the PROFOR Secretariat and does not necessarily reflect the view of donors.*



- Use the web to develop convening and networking tools
- Improve communications with donors throughout the year on high profile events

Additional perspectives shared over the course of the two days are summarized below by agenda topic.

### Latest Developments in World Bank's Forestry Work Relevant to PROFOR

Juergen Voegelé, World Bank Director for Agriculture and Rural Development, made introductory remarks to the donors and acknowledged their commitment to this mechanism.

He described how in the wake of commitments made in Bali just over a year ago, 2008 has been a fast-moving year for the forestry sector at the Bank, especially with regards to financing mechanisms to support forests contributions to climate change mitigation. The Bank has been given the mandate to develop the Forest Investment Program (FIP), and is lending its support to the development of the Growing Forests Partnership.

PROFOR continues to be relevant in this context as a reputed and reliable source of analytical tools and resources to inform investments and design interventions.

Frank Jacobs of the European Commission raised to the attention of the Director the importance of donor visibility for his institution. Donors also enquired about progress on replacing the PROFOR manager position which has been unfilled since June 2008. Mr. Voegelé explained that a recent Bank-wide rotation of H level staff had delayed the process but that ARD was committed to filling this position and that the position would be announced shortly.

### Progress Report - Portfolio Overview and Key Outcomes

Diji Chandrasekharan Behr, Natural Resource Economist on the PROFOR Team, presented an overview of the portfolio and key outcomes for the calendar year 2008. Over the course of CY 2008, there were 21 activities, 12 of which were completed during the year. Of these, there was equal distribution of seven active at the global, regional and national levels. Their distribution according to thematic area is as follows: livelihoods (7); governance (3); financing SFM (5); cross-sectoral cooperation (2) and knowledge management (4). The PROFOR budget was US\$1.43 million for CY2008. There are \$829,470 in commitments carrying over into CY2009.

New projects begun during CY2008 were:

1. Designing a framework for carbon payments for afforestation/reforestation (Mozambique)
2. Preparing for REDD in dry-land forests
3. Global Forest Leaders Forum **[completed]**
4. UNFF Analysis of NLBI on financial needs and available resources **[completed]**
5. Forest Enterprise Information Exchange
6. Forest Connect
7. Strengthening the Value Chain for Indigenous and Community Forestry Operations
8. Private and Community Forestry developing Livelihoods on the basis of secure property rights in selected countries in SEE
9. China Certification Conference **[completed]**

Key outcomes for 2008 include

#### Informing International Policy Dialogue

- **Global Forest Leaders Forum:** PROFOR supported the development of a multi-stakeholder statement on forest and climate as input to UNFCCC. Several leaders at the Forum pledged to incorporate the five guiding principles into their own forestry work. The statement, entitled *Beyond REDD: The Role of Forests in Climate Change* was presented to the press and thousands of participants at IUCN's World Congress in Barcelona Spain in October 2008 and at UNFCCC COP 14 in Poznan, Poland in December 2008.
- **UNFF analysis of NLBI on Financial Needs & Available Sources:** the findings informed the UNFF meeting in Suriname, and the AHEG meeting in Vienna. The needs and gaps identified in the analysis (types of forest investment, sources of investment, and geographic gaps) have helped to structure the debate during the design of the Forest Investment Program within the Climate Investment Funds, and identify gaps that the FIP could fill.



#### Informing National Policy Dialogue

- Pilot and revision of **Poverty-Forests Linkages Toolkit** was completed: Uganda's five year National Development Plan - Forestry Sub-Sector document uses the findings from the piloting of the toolkit in Uganda. Specifically the document integrates the importance of forests in rural livelihood.
- **Brazil Land Administration Study**: this report completed in FY08 continues to have impact. It has been taken up by the Brazilian Minister of Strategic Affairs and most of the recommendations are being used in the Minister's proposal for a land regularization program in the Amazon
- Informing bilateral and multilateral agencies engaged in issues of tenure reform (USAID, Dutch, WB in Honduras)

#### Capturing Cutting Edge Learning Through Synthesis and Gap Analysis

- Launch of Study on **Large-scale acquisition of land rights** for agricultural or natural resource use: This collaborative effort (WB, IIED, FAO, and IFAD) will provide quantitative data and lead to policy guidance on a trend that has received a lot of media and World Bank management attention. PROFOR's involvement will ensure that implications of the trend for forests are addressed.

#### Convening Stakeholders and Collaboration with NFP

- PROFOR helped to ensure balanced stakeholder representation at the **Global Forest Leaders Forum** (mentioned above) by identifying participants, and financing the travel of six indigenous peoples' representatives.
- Cluster of work on **small and medium scale enterprises**: This year PROFOR supported and interlinked several activities that seek to improve SMFE's revenue, facilitate their services, and make information more accessible, collaborating with NFP. These include Forest Connect and Forest Enterprise Information Exchange (FEINEX).

#### Playing a Catalytic role in REDD

- We are piloting methodological approaches, and providing targeted guidance, in line with guidance from the donors at the last Advisory Board Meeting. This is taking place through a cluster of work in the Miombo region on forest and climate change, and by supporting the development of a climate strategy for Southern Africa.

#### New Programmatic Window

In its operational guidelines, PROFOR has a responsibility to work with World Bank regions to: identify priority areas of collaboration, mainstream innovative approaches, share experiences and knowledge, and integrate with Bank economic sector work. Diji reported on how, to improve work in this area, PROFOR put in place a more structured approach through a Programmatic Window dedicated to Bank regions. By working with each region separately, PROFOR was better able to understand regional work plan priorities, identify areas where it can support those, and begin to address cross-sectoral issues by pulling in specialists from other sectors (agriculture, watershed, social development, etc). PROFOR was able to gain managerial buy-in at these meetings with 4 out of 6 sector managers attending. The meetings generated 29 ideas for collaboration across the six regions, and PROFOR identified 13 that it could support—six of which have cross-sectoral implications:

#### **Livelihoods**

- Access to, and rights on, land-based natural resources: Example of Liberia (Africa)
- Indigenous Peoples' Inclusion in Forestry and Land Management (East Asia and Pacific)
- Financial and Economic Competitiveness of Community Forestry (Latin America and Caribbean)

#### **Governance**

- Forest Tenure and Community Benefit-Sharing Innovative Financing (East Asia and Pacific)
- Best practices in financing protected areas (Eastern Europe and Central Asia)
- Integrated community forestry and carbon financing in Nepal (South Asia)

#### **Cross Sectoral**

- Economic Growth and Drivers of Deforestation in the Congo Basin (Africa)
- West Africa Forest Strategy (Africa)
- Operational Forestry Strategy for Sub-Saharan Africa (Africa)



- Managing Miombo Woodlands (Africa)
- Identifying areas for Watershed Rehabilitation and Reforestation in Turkey (Europe and Central Asia)
- Implications of changes in agro-food and fuel prices on rural livelihoods and forests in Syria (Middle East/North Africa)

Two areas of work identified last year that did not progress as well as hoped were:

- **Flagship on Forest and adaptation:** The objectives of this proposed activity are threefold: (i) improve the understanding of the actual and potential roles of forests and trees in climate change adaptation; (ii) mainstream policy relevant findings into key policy processes and strategies and (iii) explore mechanisms for private financing to stimulate tree-based adaptation strategies and climate sensitive forest management. So far preliminary discussions have been held with experts on possible methodological framework to capture the incremental risk associated with climate change, linkages with mitigation, linkage with water and landscape focus; and coordination with proponents of other similar studies (e.g., IUFRO and WB) has begun. It will now review methods of such studies and those being piloted by the World Bank as well as review National Action Plans for adaptation components.
- **Knowledge pieces that bring together findings** from PROFOR studies: Here we had hoped to complete a study on land tenure and REDD, reviewing three PROFOR-supported activities. The draft is currently being reviewed by experts and should be available in the coming weeks.

As a reaction to the presentation, donors urged PROFOR to continue to glean learning from clusters of work, adding value by extracting implications from collections of analysis. This idea was stressed in the area of financing for Sustainable Forest Management where it was felt that more collaboration could take place between PROFOR and the NFP Facility.

## Presentations by Activity Implementers

Via video- and audio-conferencing and presentations, the Board heard from the implementers of three PROFOR-funded activities underway or begun in calendar year 2008. The group also heard from two World Bank staff on two proposals for activities to be funded through the new Programmatic Window:

- Marisa Camargo (IUFRO) presented “**Designing a framework for carbon payments for afforestation/reforestation in small-scale forest plantations in Mozambique**” which will provide guidance for shaping an organization to manage all aspects of a programmatic forestry sink project and will design a payment scheme. Outcomes and lessons will be summarized through a publication.
- Duncan Macqueen (IIED) presented progress on **Forest Connect**. A steering committee has been established and a toolkit developed that facilitates support to SMEs by helping to connect them to one another and to service providers, markets and policy processes.
- Rebecca Butterfield (Rainforest Alliance) presented “**Strengthening the value chain for Indigenous and Community Forestry Operations through increased investment and use of technical assistance.**” This activity will motivate investments, promote technical assistance and stimulate value-added processing for SMEs in Mexico, Guatemala and Honduras.
- Gary Dunning (The Forests Dialogue) presented the **Global Forests Leaders Forum**. The Forum was the culmination of a dialogue process which set out to identify ways in which stakeholders can work together to contribute to forest and climate policy frameworks and decisions, through a forest leaders statement which could directly influence the post- 2012 framework agreement on climate change. PROFOR supported balanced stakeholder participation in the Forum and contributed to communicating to statement more broadly after the forum.
- Klaus Deninger (World Bank) presented the study “**Large scale land acquisition for agricultural and natural-resource based use.**” The study aims to inventory the extent to which large scale land acquisition is occurring in rural areas, the policy contexts within which it is occurring, and the economic underpinnings of such acquisitions.
- Robert Davis (World Bank) presented preliminary ideas for an **Assessment of competitiveness and access to markets in Mexico**, looking at ways for indigenous community forest enterprises to increase



efficiency, and providing guidance on best options for upgrading. He also discussed an idea for **Sector Competitiveness Study** in Paraguay which would review the existing local and international markets for forest products, analyze the costs along the production chain, and rank the competitiveness of the various forest products in the country compared with other MERCOSUR countries.

- Grant Milne presented a proposal to examine Community Forestry in the Carbon Finance Context in Nepal. The activity would help to develop a concise national forest sector strategy building on existing work looking at community forestry, institutions, policy, and other aspects and build improved awareness and capacities around carbon markets and community forestry.

Carole Megevand (World Bank-Africa) who was in the audience, also described a PROFOR-funded activity that will look at the drivers of deforestation in the Congo Basin. It aims to position the Congo Basin for climate change negotiations given the probability of new developments that will have a huge impact on forest cover. Other partners are contributing to the identification of these drivers, so PROFOR's support will allow the Bank to play a coordinative role in the various initiatives.

Comments from the Board in this section mostly related to ways in which different activities could be linked with existing work by some of their agencies or with the NFP Facility.

## Communications and Knowledge Management

### Programmatic Window

Anne Davis Gillet, PROFOR's Communications Officer, outlined the progress in this area over the last year. First she described the role that communications played in structuring and coordinating the meetings with the five regions in launching the Programmatic Window: tailoring and showcasing information done in each region, identifying specialists (NRM and beyond), ensuring follow-up (minutes, follow-up meetings). The series of meetings also allowed PROFOR to update the regions on its modalities and objectives in a consistent way, with 5 out of 6 regional sector managers attending

### Networking and Convening

Anne shared how PROFOR had stepped up its work on networking and convening over the last year. Within the Bank, new communications tools were created to share information on PROFOR's portfolio including mid-year summary of activities aimed at 1) informing colleagues of areas of work being developed and 2) creating cross fertilization among activity proponents. Another tool, a calendar of forest-related international and regional events aimed to 1) help coordinate Bank forest work and 2) identify opportunities to share learnings from PROFOR analysis.

Separately, PROFOR helped connect activity proponents (improving rural livelihoods), promoted proponents' tools (such as the Forest Connect portal), and facilitated proponents' ability to promote their findings (assisting in setting up side events for Indufor and IUFRO in Poznan).

PROFOR lent significant communications support to the Global Forest Leaders Forum. Communications supported the organization of the meeting, coordination between the Bank and TFD and its Steering Committee members, guaranteed balanced stakeholder representation in the meeting, helped set up dialogues sessions between the Bank and IPs, and promoted the outcomes of the meeting by ensuring World Bank input into a press release and press conference at the World Congress in Barcelona.

### Promotion

Over the last year, PROFOR materials were made available at the following conferences: FAO Asia-Pacific Forestry Week (April, Hanoi); Global Forest Leaders Forum (September, Washington); Intercooperation's Forests, Landscape and Governance Workshop (October, Interlaken); IUCN World Congress (October, Barcelona); COP 14/CPF's Forest Day 2 (December, Poznan).

### Web



Since the Fall, because of a breach in some World Bank managed sites, the World Bank has required that websites for all trust funds managed by the Bank be transferred to internal servers. This has slowed updating of the PROFOR site over last six months. The internally hosted site has been created and will soon be live. The website is also being modified to allow for electronic submissions of concept notes by non-Bank applicants, a process which aims to improve administrative monitoring. Also, a donor login function is being put in place to give each donor password-protected access to trust fund agreements, budget information and activity forms. In the year to come, PROFOR would like to redesign the site to allow for more interactivity and functions that better support its role in networking and convening.

### **Outputs**

This year PROFOR Secretariat published two reports from its own funds: "Poverty and Forests Linkages—A Synthesis and Six Case Studies", the research that underpins the Poverty-Forests Linkages Toolkit and will be packaged with it; and "Financing Flows and Needs to Implement the Non-Legally Binding Instrument on All Types of Forests". It also supported the promotion of online outputs such as the Ecosystem Marketplace Matrix (<http://ecosystemmarketplace.com>), Landscape Measures Resource Center ([www.landscapemeasures.org](http://www.landscapemeasures.org)) and Forest Connect (<http://forestconnect.ning.com>)

Donors were interested in seeing the communications tools that had been tested internally be used externally (calendar and yearly update on the portfolio). They also pushed the Secretariat to be more proactive in sharing with donors and others when high-profile activities are taking place. There was a special request for a 1-2 page highlights document that could provide a quick read on PROFOR's latest accomplishments.

### **Monitoring**

In this presentation, Anne pointed out some online tools that PROFOR is launching, to help facilitate administrative monitoring. These include online submissions of concept notes, and activity reporting—to provide consistency and transparency in reporting and have proponents better match outputs against commitments in their proposals. The reporting also now features more detailed information on the use of funds and changes to intended timeframe. Having reporting done on line would also allow for giving donors access to activity material.

Diji then presented some issues surrounding impact monitoring in a desire to get the Board input and ideas. Here the main point was that it is often difficult to measure the technical impact of PROFOR activities because it often comes well after support ends. As PROFOR seeks to identify developing country proponents that it is less familiar with, impact monitoring beyond completion will grow increasingly difficult. Where PROFOR has best been able to monitor impact has been when it was involved with the implementation of or follow-through on the activity, such as the Forest Leaders Forum, the Report on Financing Flows, and the Poverty-Forests Linkages Toolkit.

Here Frank Jacobs of the European Commission presented the findings of an external monitoring mission on PROFOR and FLEG, which took place in October 2008 and looked at the overall work plan for resource planning utilization. The report found that the "project [was] increasingly well directed and recognized as a key and flexible support facility". It recommended that "The Project Manager:

- 1) Update the log frame, including a suitable result for the communications area and appropriate assumptions.
- 2) Improve the content of the next annual report with the addition of a suitable cover page with donor recognition; abbreviations page; introductory page; executive summary; tabular work plan for the project duration with highlighted deviations to plan; resource utilization table; and an assumptions and risks table.
- 3) Increase EU visibility on the website
- 4) Support the alignment of PROFOR and FLEG to ensure suitable benefits, synergies and harmonise administrative work/costs.
- 5) Encourage the recruitment of additional staff member/s to strengthen the Secretariat support capacities.

The Secretariat responded that some of these measures had already been implemented (1, parts of 2 and 4). It added that the "annual report" was primarily an internal reporting tool to donors and had not been intended for external audiences. With this feedback it would prepare a version next year for external audiences.



Other donor feedback focused on recommendations to raise PROFOR's public profile with external audiences from better use of webspace, concise newsletters, and greater donor visibility on all public materials.

The group then raised the issue of whether the use of DfID's logframe (which donors had agreed several years ago would be the reporting standard) was still the best method to report on impact. John Hudson of DfID said that the logframe's requirements were changing. He added that the PROFOR secretariat should make recommendations on changes that were more appropriate for PROFOR reporting.

FAO recommended examining whether their OIMS system could be used by PROFOR for monitoring.

### **Increasing PROFOR's Efficiency, Effectiveness & Responsiveness**

In this session, Diji listed the changes the Secretariat had initiated to improve efficiency, effectiveness and responsiveness. They include:

- More structured web-based mechanism to receive proposals
- (lowers transaction costs, maintains flexibility, gives greater transparency regarding selection, will allow a broader set of proponents to apply, allows team to focus on strategic issues)
- Changes in reporting
- (more focused on our impacts)
- Changes to the website  
(open to feedback through interactive blogs, planned networking tools)

She also raised some of the remaining challenges: as PROFOR transitions to this new way of operating, more communication is needed.

- Older proponents are used to the ad-hoc modus operandus, that focuses on outputs rather than impacts.
- The interactive web tools will need a lot of promotion.
- Facilitating applications from a more diverse group of proponents will require greater resources for translation (both of proposals and products) and circulation of the RFP.

At the 2007 Advisory Board meeting, the Board requested that emphasis be placed on informing national and international policy debate through: (i) knowledge synthesis, (ii) networking and coordination, (iii) developing innovative tools. This has given greater clarity to what activities PROFOR should support, and how PROFOR Secretariat can support proponents.

Where PROFOR support has extended beyond just the analytical work, PROFOR was better able to ensure and monitor the policy impact of products (e.g., Financing flows, REDDI)

This implies that PROFOR would be well placed to 1) develop products and dissemination strategies that ensure PROFOR activity findings better serve as inputs to policy processes both within and outside forest sector; 2) focus on knowledge pieces; and 3) play a role with partners in convening key stakeholders prior to international processes to build consensus positions that build on PROFOR findings.

Some donors questioned to what degree PROFOR had a comparative advantage in contributing to convening stakeholders for building consensus.

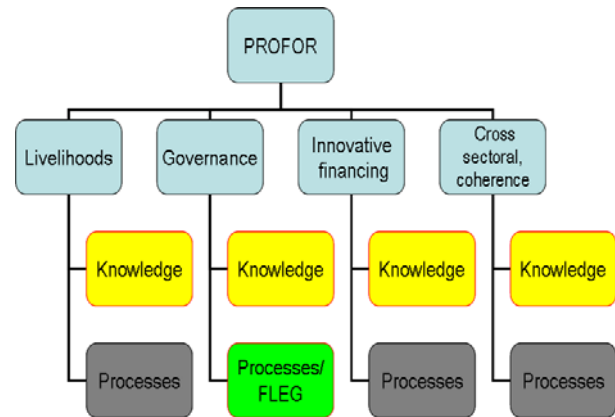


## Alignment of FLEG and PROFOR

On the second day, as introduction to a discussion on the alignment of the Forest Law Enforcement (FLEG) and PROFOR trust funds, Tuukka Castren and Nalin Kishor gave an introduction to the FLEG trust fund and its past activities. The fund has been financed directly by the UK and the EC<sup>1</sup>. It works on three levels:

- Supports regional ministerial FLEG processes
- Supports country-level implementation
- Finances high impact catalytic work

It was recognized that there is a clear fit for FLEG (especially its analytical support) and PROFOR's Governance thematic area. FLEG's support for operational work (e.g., regional ministerial processes) is of a different nature, and was considered to be an expansion on PROFOR's current approach. Tuukka presented the structure that PROFOR and FLEG teams had prepared to describe the relationship between knowledge generation and support to forestry processes (see chart). Under this structure, PROFOR's broader collection of knowledge products could feed into FLEG processes, and in turn, the processes could help to guide needs for future analytical work.



Yellow=existing; Green= new with alignment; Grey=potential

This was particularly true in the support that could be lent by the new, expanded team in REDD countries.

The alignment also allowed for synergies across the two teams, which could increase capacity and efficiency. It will also allow for efficient linkage between generation of knowledge and its application in practice. Additionally it was recognized that alignment would provide efficiency gains in trust fund management.

Before entering a discussion on how to modify the Operational Guidelines to reflect the alignment, donors recognized that there were some differences between the two, namely that FLEG had a longer term outlook focused on partnership and strategy and that it was geared toward supporting legislative changes, while PROFOR has focused on knowledge generation and has not been directly involved in supporting reform processes.

Donors felt that the visual representation of the alignment as illustrated in the flow chart made sense. Some felt that the FLEG component should represent 50% of the new work program.

Donors then spent two hours amending the Operational Guidelines together to reflect the alignment.

## Trust Fund Renewal beyond FY2010

Carol Bonney, the Senior Resource Management Officer of the Sustainable Development Network, came to present the various options donors had to continue their support for PROFOR beyond its agreement date of 2010.

The multi-donor trust fund (MDTF) can be extended, and the operational guidelines amended or a new MDTF can be established.

Extending the MDTF option is quicker, less complex and has lower transaction costs but does not leave a discrete timeframe to facilitate evaluation of activities. It is also less flexible with regard to modifications to provisions

<sup>1</sup> Other donors (e.g. Finland and the Netherlands) have been providing support through staff exchange programs or closely related trust funds.



Establishing a new MDTF requires internal clearance of a new trust fund proposal, negotiation of new administration agreements, and a review and confirmation or modification of standard provisions. The advantages are that it provides an opportunity to establish a new fund and modify provisions if necessary, and provides discrete timeframes to facilitate planning and evaluation. The disadvantages are that it is more time consuming, requires administrative effort and extensive clearance process.

Carol recommended letting the FLEG and PROFOR trust funds continue to close, extend the PROFOR MDTF for a limited time, and assess the experience and develop a new multi-donor trust fund proposal for PROFOR (Phase 2).

Carol clarified that Bank rules say that earmarking is not permitted in a multidonor trust fund. Donors are

Thematic Area	CY09				Total
	Programmatic Window	Catalytic window	RFP*	Other	
Livelihoods	\$300,000	\$180,000			\$480,000
Governance	\$150,000		\$300,000		\$450,000
Financing SFM	\$250,000	\$490,000	\$300,000		\$1,040,000
Cross Sectoral Cooperation	\$700,000	\$650,000	\$300,000		\$1,650,000
Knowledge Management	\$100,000			\$100,000	\$200,000
Communication				\$250,000	\$250,000
Technical Staff				\$420,000	\$420,000
TF Administration fee (5%)					\$0
<b>Total</b>	<b>\$1,500,000</b>	<b>\$1,320,000</b>	<b>\$900,000</b>	<b>\$770,000</b>	<b>\$4,490,000</b>

encouraged to participate in the work program development to guide the strategic director of the MDTF.

### Work Program for 2009

The PROFOR and FLEG teams outlined the work program for the coming calendar year (see details in Annex 3).

Donors had questions on how activities were chosen. The Secretariat responded that RFP applications are reviewed by a panel of 5 experts within the Bank and in Washington, and programmatic activities were coordinated with regional sector managers as well as reviewed by the Secretariat. The donors recommended that the panels be broadened to include more external participants and possibly include member from donor community.

The Advisory Board endorsed the proposed work program with the caveat to avoid duplicating any work. They also asked for more details on FLEG's work plan.

### Indications of Activity Funding Projections and Indications of Contributions

The PROFOR team presented the following breakdown of estimated spending for the coming year:

An informal tour-de-table resulted in the following indicationz of future funding:

- The EC agreed to contribute €3.6 million (€900,000 for four years each) [€780,000 has not been called]
- The UK had already agreed to contribute £5 million for two years [£1 million has not been called]
- Switzerland provided an indicative contribution of CHF 1 million from SDC to PROFOR, and CHF700,000 from SECO to FLEG



- Finland committed to remain an active donor but was unable to provide an exact amount until later in the year
- Germany indicated that due to personnel changes at the ministry and parliamentary challenges for participation in MDTF (lack of ability to track contributions) there would be no financial commitment. However, there would be a possibility of in-kind contributions from GTZ.
- PROFOR is engaged in active discussions with the Netherlands and expects a significant contribution to match the increased program.



**Annex 1: Agenda**  
**PROFOR Advisory Board Meeting 2009**  
**February 2 -3, 2009**  
**Room MC13-121**  
**World Bank Headquarters, Washington, DC**  
**Agenda**

**Monday February 2, 2009**

- 8:30am Breakfast
- 9:00am Welcome  
Gerhard Dieterle, Forest Advisor, Acting PROFOR Manager
- 9:05am Adoption of Agenda  
Chair: Patrick Verkooijen, Senior Partnership Specialist, World Bank
- 9:10am WB Management on PROFOR (Institutional highlights for CY08: FIP, GFP and the potential role of PROFOR)  
Juergen Voegelé, Director, Agriculture and Rural Development, World Bank
- 9:30am Progress Report – portfolio status, status of flagship product, key outcomes, programmatic window  
Diji Chandrasekharan, Natural Resources Economist, PROFOR
- 10:30am Coffee Break
- 11:00am **Reports on recently-initiated PROFOR activities**
- *Designing a framework for carbon payments for afforestation/reforestation in small-scale forest plantations in Mozambique: A contribution towards a forestry climate strategy for Southern Africa* – Marisa Camargo, Project Manager, Indufor  
(via audioconference from Helsinki, Finland)
  - *Forest Connect Initiative* – Duncan Macqueen, Sr. Research Associate, Forest Business, International Institute for Environment and Development (IIED)  
(via video conference from Edinburgh, Scotland)
  - *Strengthening the Value Chain for indigenous and Community Forestry Operations Through Increased Investment and Use of the Technical Assistance* -- Rebecca Butterfield, Rainforest Alliance
  - *Large-Scale Land Acquisition—Inventory, Policies, and Implications* – Klaus Deininger, Lead Economist, Land Policy and Administration, Development Research Group, World Bank
- 12:15pm Lunch (provided near conference room)
- 1:30pm Update regarding PROFOR communication and knowledge management activities—Anne Davis Gillet, Communications Officer, PROFOR
- 2:30pm **Two proposals submitted through new pilot “programmatic window”**  
*Economics, Competitiveness and Financial viability of community forestry in Mexico*—Robert Davis, Senior Forestry Specialist, LACAR, World Bank  
*Integrated community forestry and carbon financing in Nepal*—Grant Milne, Senior Natural Resources Specialist, SASDA, World Bank



### **Monday February 2, 2009 (cont)**

- 3:10pm      **Reports on recently completed PROFOR activities**  
*Global Forest Leaders Forum*—Gary Dunning, Executive Director, The Forests Dialogue
- Access and Livelihoods in Forests and Informal institutions and Governance*—Deborah Barry, CIFOR
- 4:00pm      Coffee Break
- 4:30pm      PROFOR Monitoring and Budget review
- 5:00pm      Program and Activity Impacts
- 5:30pm      Meeting Adjourns
- 7:00pm      Group dinner with colleagues from WB, FAO, and NFP Facility

### **Tuesday February 3, 2009**

- 8:30              Breakfast
- 9:00am        Alignment of FLEG and PROFOR
- Justification—Gerhard Dieterle
  - Amendment to Operational Guidelines—Tuukka Castren, Nalin Kishor, FLEG; Diji Chandrasekharan Behr
  - Preliminary thoughts on implications of alignment
- 10:45am        Coffee Break
- 11:00am        PROFOR post-FY 2010—Carol Bonney, Senior Resource Management Officer, SDN
- Renewal of PROFOR (Administrative options)
  - Governance of PROFOR
- 12:30pm        Lunch (free time)
- 2:00pm        PROFOR: The Way Forward—Gerhard Dieterle, Tuukka Castren, Nalin Kishor, Diji Chandrasekharan Behr
- CY09 Workplan (including topics for RFP and flagship activities)
- 3:30pm        Coffee Break
- 4:00            PROFOR Administration and Finance Discussion
- Expenditure projection
  - Donor contributions for CY09 and post-2010
- 4:30pm        Wrap-up Session—Gerhard Dieterle
- Identification of follow up actions
- 5:00pm        Meeting Adjourns



## Annex 2: List of Participants

### Bi-lateral Donor Agencies

Markku Aho	Ministry for Foreign Affairs of Finland
Juergen Blaser	representing Swiss Organization for Development Cooperation, and State Secretariat for Economic Affairs, Switzerland
John Hudson	Department for International Development, United Kingdom
Frank Jacobs	European Commission
Evy von Pfeil	Gesellschaft für Technische Zusammenarbeit, Germany

### Non-Donor Advisors

Godwin Kowero, African Forest Forum (AFF)/World Agroforestry Centre (ICRAF)

### NFP Facility and FAO Staff:

Michael Martin	Director, Policy and Planning Division, FAO
Jerker Thurnberg	NFP Facility Manager
Johan Lejeune	NFP Facility Forestry Officer

### PROFOR and World Bank Staff

Jüergen Vögele	Director, Agriculture and Rural Development
Gerhard Dieterle	Forests Advisor/SDN Forest Team Leader and acting PROFOR Manager
Diji Chandrasekharan Behr	Natural Resource Economist, PROFOR
Anne Davis Gillet	Communications Officer, PROFOR
Patrick Verkooijen	Senior Partnership Specialist (Meeting Chair)
Klas Sander	Natural Resource Economist
Nalin Kishor	Forestry Governance Technical Specialist
Tuukka Castren	Senior Forestry Specialist, FLEG
John Spears	Consultant
Liza Cushion	JPA
Klaus Deininger	Lead Economist, Land Policy and Administration, Development Research Group
Robert Davis	Senior Forestry Specialist, Latin America and Caribbean Region
Grant Milne	Senior Natural Resources Specialist, South Asia Region
Gerardo Segura	Senior Rural Development Specialist, Latin America and Caribbean Region
Carole Megevand	Environment Team, Africa Region
Carol Bonney	Senior Resource Management Officer, Sustainable Development Network

### Non-Bank Activity Presenters

*Carbon payments for afforestation/reforestation in Mozambique:*

Marisa Camargo, Project Manager, Indufor (via audioconference from Helsinki, Finland)

*Forest Connect Initiative*

Duncan Macqueen, Sr. Research Associate, Forest Business, International Institute for Environment and Development (IIED) (via video conference from Edinburgh, Scotland)

*Strengthening the Value Chain for indigenous and Community Forestry Operations*

Rebecca Butterfield, Rainforest Alliance

*Global Forest Leaders Forum*—Gary Dunning, Executive Director, The Forests Dialogue



### Annex 3: Work Program for 2009

#### Topics under the Request for Proposals Window

- Examining **benefit-sharing** arrangements in the forest sector and exploring the move towards contractual arrangements
- Exploring forests' role in **adaptation** which will incorporate technical forestry aspects as well as a livelihoods aspects
- **REDD and governance** – developing a diagnostic, recommending building blocks, and developing indicators linked to processes to help to monitor effectiveness of interventions: a Guidebook for use in REDD countries.
- Improving forest sector **governance** on the expenditures side of the equation.

The SME/market access work begun in the last RFP would continue into this year's RFP as well.

#### Topics under the Catalytic Window

##### Livelihoods

- Comparative analysis that would identify best practice for addressing forest-related issues in conflict and post-conflict situations
- Paraguay study on community forestry and competitiveness (\$80k)

##### Governance

- Disaggregating Forest Governance and developing diagnostics and indicators (\$150k)

##### Innovative Financing:

- Development of alternative REDD compensation criteria (\$150k)
- Developing Carbon payment mechanisms for countries with forest concessions (\$100k)
- Linking communities, conservation and ecosystem markets: Developing PES Incubators (\$90k)
- Carbon in the Boreal project: Komi Carbon Project (\$150k)

##### Cross Sectoral

- Analytical work on the role of forest restoration in climate change (\$150k)
- Assessment of global investments in food, fiber, fuel and land speculation (\$150k+\$350k)

#### Topics under the Programmatic Window

##### Livelihoods

- Access to, and rights on land-based natural resources: Example of Liberia
- Indigenous Peoples' Inclusion in Forestry and Land Management
- Financial and Economic Competitiveness of Community Forestry

##### Governance

- Forest Tenure and Community Benefit-Sharing

##### Innovative Financing

- Best practices in financing protected areas
- Integrated community forestry and carbon financing in Nepal

##### Knowledge Management

- Watershed study in India

##### Cross Sectoral

- Economic Growth and Drivers of Deforestation in the Congo Basin
- West Africa Forest Strategy
- Operational Forestry Strategy for Sub-Saharan Africa
- Managing Miombo Woodlands
- Identifying areas for Watershed Rehabilitation and Reforestation in Turkey
- Implications of changes in agro-food and fuel prices on rural livelihoods and forests in Syria



## Communications, Networking and Knowledge Management

### Fundamentals (\$116,000)

- Web
- Support
- Translation and Material

### Production and Promotion (\$53,000)

- Toolkit
- Land Acquisition study
- Summary on Land and Climate
- Adaptation Study
- Innovative Tools

### Networking/Convening (\$81,000)

- Workshops
- GFP Indigenous Peoples Conference.
- Internal
- REDD think tank group

### KM Notes on clusters of work (\$100,000)

- Tenure and Climate note (underway)
- Adaptation
- Developing SMEs – value-chain to facilitating services
- REDD and community-based initiatives: What are preliminary lessons?
- Forests and benefit sharing – what do we know

## FLEG

### Africa

- East African FLEG (\$100,000)
- Gabon: Global Legal Information Network (GLIN, \$150,000)
- Identification of additional opportunities in West Africa, Congo Basin and SADC for possible implementation CY2010 (\$30,000)

### Asia

- Mekong: Gap analysis and planning (\$330,000)
- Support to ASEAN regional FLEG Action Plan (\$50,000)
- Mongolia: Follow-up on reform on illegal wildlife trade (\$25,000)
- Planning and identification of potential activities in South Asia (\$50,000)

### Latin America

- Ecuador and Colombia: Forest Sector Governance assessments
  - Ecuador, Bolivia and Peru: FLEG National Initiatives - Civil Society Forest Governance and Transparency (multistakeholder consultations)
  - Nicaragua, Honduras, and Guatemala: National initiatives
- Budgets still open (indicative: \$400,000)*

### Europe

- Implementation of Regional Program for Improving FLEG in European Neighborhood Partnership (ENP) East Countries and Russia (in partnership with IUCN and WWF)
- Developing and Implementing National Action Plans to Control Illegal Logging in Albania, Moldova, Serbia, Montenegro

*European activities funded separately (EC and NL trust funds)*

Africa	280,000
Asia	455,000
Latin America	400,000
Technical Staff	300,000
<b>Total</b>	<b>1,435,000</b>
Currently available (till June 30, 2010)	850,000
Need for CY09	585,000