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## HCVF and the World Bank's Forests Policy

When the World Bank adopted its new Forests Policy (OP 4.36) in 2002, it stated that 'the Bank does not finance projects that, in its opinion, would involve significant conversion or degradation of critical forest areas or related critical natural habitats'. However, in the ensuing five years, despite repeated enquiries from NGOs like the WRM, the World Bank has not been able to clarify how it determines which areas are 'critical'. All it has said is that critical forests and critical habitats include existing and officially proposed protected areas, culturally important areas like sacred groves, 'sites that maintain conditions vital for the viability of protected areas' and sites identified on supplementary lists prepared by the Bank or by an authority it recognises. The Bank's 2001 'Natural Habitats' policy only says that 'the Bank expects the Borrower to take into account the views, roles and rights of groups, including NGOs and local communities.'

It is clear that the World Bank still lacks a clear process for determining what are 'critical forests', although this has not stopped it from pouring money into forestry projects. A desk review carried out by the Forest Peoples Programme of 21 forest-related projects approved since early 2003, shows that the concepts of 'critical forests' and 'critical natural habitats' have been applied in a very patchy way. The projects examined, which have a total value of over US\$ 1.3 billion dollars, are those listed by the World Bank as affecting forests and the research was limited to a review of those documents that are available on the World Bank's website.

Based on what can be discerned from these documents, it seems that most of the projects have not screened for 'critical forests' at all. This includes the 'Moldova Soil Conservation Project' and the Republic of Congo 'Economic Recovery Credit' even though the Bank website lists them as forestry sector projects. The Azerbaijan 'Rural Development Project', which promotes the establishment of national parks, community natural resource management schemes and rural enterprises in an acknowledged 'biodiversity hotspot' in the Caucasus, will not attempt to screen for 'critical forests'. The China Changjiang/Pearl River Watershed Rehabilitation Project, which involves extensive afforestation and land use planning, is considered to have 'triggered' the Forests policy, although not the Natural Habitats policy, but does not seek to identify 'critical forests', nor does the Philippines 'Laguna de Bay Community Watershed Rehabilitation Project' screen for 'critical forests'.

In India the US\$ 620 million 'National Highways Project', while classed as a category A project - requiring maximal environment assessment - is not considered to have 'triggered' the Forests Policy and will not screen for 'critical forests'. In this case, the project preparation team also thought that the concept of 'critical natural habitats' was 'not applicable'. Two projects in Honduras, the 'Forests and Rural Productivity Project' and the 'Pico Bonito Sustainable Forests Project' only seek to avoid existing protected areas and buffer zones, with no evident efforts to first identify which forests might be 'critical' from the point of view of community livelihoods or from other points of view. In the Benin 'Forests and Adjacent Lands Management Project' and the Romania 'Forest Development Project' there is no evidence that the 'critical forests' concept are to be applied at all. In the Lao 'Environment and Social Project', which will affect wide areas of the forested uplands where 'activity locations will typically be in close proximity to important natural habitats and in areas

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inhabited by ethnic minorities', Bank staff have not proposed measures to screen for 'critical forests'. In Gabon, the 'Natural Resource Management Development Policy Loan', even though it will support national planning capacity to develop the mining, oil and gas, forestry, fisheries and conservation sectors, does not screen for 'critical forests', while the complementary 'Forest and Environment Sector Project' is presented as not resulting in the 'significant degradation or conversion of critical natural habitats'. In Costa Rica a joint World Bank/GEF 'Mainstreaming Market Based Instruments for Environmental Management Project', 'is designed to comply fully with the letter and spirit of all World Bank Safeguard Policies', but project documents do not mention any screening for 'critical forests'.

Likewise, in Cameroon, the World Bank's 'Forest and Environment Sector Program' does not apply the concept of 'critical forests'. Instead zoning is being carried out in line with the (much criticised) national zoning system which allocates lands to parks, logging and roadside communities, a process in which forest dwellers are invisible. A progressive Indigenous Peoples Plan elaborated as part of this project is not being implemented effectively. In Vietnam, the 'Forest Sector Development Project' only screens for 'critical natural habitats', when developing areas for plantations. The Madagascar 'Third Environment Program Support Project' is bizarrely recorded as not 'triggering' the Forests policy even though it does trigger the Natural Habitats policy and does seek to conserve Mikea forests. The project thus does not seek to identify 'critical forests' though it is being developed within the framework of Madagascar's Environmental Action Programme. Even the progressive Albania 'Natural Resources Management Project', which effectively promotes community management of forests, does not apply the concept of 'critical forests'. The available documents for the Kazakhstan 'Forest Protection and Reforestation Project', which aims to enhance forest development country-wide show that the project team have decided the safeguard policy on Forests is not triggered and they have not yet decided whether the Natural Habitats policy applies. No screening for 'critical forests' is mentioned.

There do seem to have been three exceptions to this tale of non-compliance. The first is the Bosnia-Herzegovina 'Forest Development and Conservation Project' which explicitly includes a Technical Assistance component co-funded by the German aid agency, GTZ. This will extend the usual forest inventory study in order to identify critical forest ecosystems, explicitly described as 'High Conservation Value Forests' for forest and biodiversity conservation. The second is the Tanzania 'Eastern Arc Forests Conservation and Management Project' which seeks to identify critical watershed forests, montane forests and miombo woodlands, which are identified as important to local livelihoods including as a source of fuelwood. The Mexico 'Second Community Forestry Project' also plans to include screening to avoid any interference with critical forest areas and critical natural habitats, although it notes that the local institutional capacity for carrying this out is limited. Exactly how this screening is to be done is not made clear, however.

During the evolution of its Forests Strategy the World Bank had proposed that, in addition to its project level screening, it would also carry out national assessments to identify 'critical forests'. This, it was planned, would be done as part of enhanced 'Economic and Sector Work' and 'Country Assistance Strategies' that would ensure that the new Forests Policy was applied broadly to all Bank lending to a country. However, in the absence of a defined process to identify what are 'critical forests' this has not occurred.

The World Bank's Forests Team is aware that one of the key elements in its safeguard policy is not being applied consistently. Continuing delays in the development of a 'Sourcebook', which was meant to explain to staff how they should screen for impacts on 'critical forests', have contributed to this problem (see WRM Bulletin 93). The remedy now proposed by the Bank is to develop sound

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methods for identifying 'High Conservation Value Forests', and for this reason it is supporting the High Conservation Value Resource Network. This makes it all the more important that the concept of High Conservation Value is developed in a credible way, which ensures that community interests and rights are properly respected and given priority.

Source: Forest Peoples Programme, [info@forestpeoples.org](mailto:info@forestpeoples.org), [www.forestpeoples.org](http://www.forestpeoples.org)