Liberia Country Forest Note Analysis: Is That All?

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Liberia is West Africa's most heavily forested country, a natural attribute of value recognized by both its government and the global community. The strategy for sustaining the forests' value is summarized by the World Bank in 4 "Cs": conservation, carbon, community, and commercial logging. The first three hang together quite well, since they are premised primarily on forests remaining standing; the last is an outlier in this strategy , but can be integrated in theory via sustainable forest management and adaptive practices, such as use of plantations and degraded areas for commercial forestry and forest restoration.

The World Bank, in recommitting itself to forests as a key element of sustainable development, documented in its 2016 Forest Action Plan, undertook to prepare a minimum of 10 Country Forest Notes (CFNs) during the Plan term (to 2020). Liberia and Mozambique are the first two CFNs to be released, giving observers a window into how the Bank is integrating forests into sustainable development in these countries.

In the case of Liberia, the CFN offers these key messages:

- Liberia's forests are a significant contributor to Liberia's development, and could be even moreso.
- Liberia needs to shift from forests solely as revenue-generators to a 4Cs approach. For example, community forestry can bring income from non-timber forest products and from training in value-addition to sustainably harvested timber. Collective action also increases options. Conservation can increase income through eco-tourism and carbon revenues.
- The informal sector (small-scale timber and charcoal production) needs training and better regulation to ensure sustainability, both environmental and economic.
- More & better data are needed for forest management and planning.

- The government (Forest Development Authority) needs greater capacity to manage forests effectively.
- Private sector forest engagement should be enhanced through better infrastructure and access to finance and markets.
- Donor engagement and support needs to be maintained and enhanced to realize the potential of the four Cs.

The Bank's principal response to this analysis, as presented in the CFN, is the Liberia Forest Sector Project (LFSP), approved in April 2016, with outputs expected by June 2020 (the project closing date). The LFSP has two main components: 1) strengthened regulatory and institutional arrangements, including both capacity building and legal reform, and 2) strengthened management of targeted forest landscapes, which covers land-use planning, management of protected areas, support for community forest management and sustainable agriculture, and forest monitoring information systems (development of forest emission reference levels and MRV—monitoring, reporting, and verification—systems).

The LFSP thus provides some support to all four Cs. It works at both national/institutional and local levels, and both public and private sectors. It aligns well with the Forest Carbon Partnership Facility (FCPF), also administered by the Bank. FCPF has provided Liberia $8.6 million since 2012 for REDD+ Readiness Preparation. This is welcome and positive.

That said, the CFN states that its key objectives "are to (a) identify opportunities and shape a more programmatic approach to the World Bank's engagement (that is, further analytical support, policy actions, and investments) and (b) guide coordination with other development partners in the sector."

While the LFSP embodies a programmatic approach, and we are happy to see the Bank supporting work in other sectors that will help reduce pressure on forests (notably for electricity access and land administration), one is left to ask, after reading the CFN, is that all? Specifically, the CFN leaves a number of important questions to be addressed:

Norway: The LFSP is entirely funded by Norway through the Liberia Forest Landscape Single Donor Trust Fund—but there is no further discussion of collaboration with Norway, even though Norway committed up to $150M in Sept. 2014 to support Liberia's implementation of REDD+. Liberia in February 2018 received $4.67M from the Trust Fund as part of the Banks's Fourth Poverty Reduction Support (PRS) Development Policy Operation (DPO), and $4.37M in June 2017 for the 3rd PRS DPO, but the Trust Fund's remaining uncommitted portion, over $100M, far exceeds what any other donor has committed for forests. How is the Bank working with Norway and Liberia to see that those funds support REDD+ effectively? Given this is more than double the existing LFSP, it seems like an important question to address.

Other Donors: For that matter, how is the Bank aligning donors around a shared forest agenda? The CFN provides a paragraph describing other forest-related interventions, but stops short of offering any roadmap for coordination, or even de-conflicting forest impacts. This is also important: with Official Development Assistance averaging $886M/year (2014-16, per OECD), the Bank accounts for only 17% of Liberia's ODA. It is however the second largest, behind only the United States; as the leading multilateral, it is well-positioned to convene donors to address forest sector interventions.

Mainstreaming: Mainstreaming forests through agriculture and energy modernization is important, but the Bank and its private sector arm are also supporting roadbuilding ($187M in active & pipeline commitments) and construction of a greenfield open pit gold mine ($19M IFC investment in a $136M project). Together these projects increasing risk to forests account for 37% of the WBG active & pipeline portfolio ($557M as of 6/30/18), and outweigh the projects ($185M or 33%) that are "pro-forest."[1] Properly applied, safeguards should avoid or mitigate the risk, but how is the Bank doing this and ensuring that these "drivers" do not offset much or all of its forest conservation work? The CFN should acknowledge these risks and lay out a forest-smart strategy for ensuring that other sectors properly integrate forests. This is doubly frustrating because such a strategy (relevant also for the point below) already exists: see Economic Analysis of a Low Carbon Economy for Liberia.[2]

Upstreaming: One role of Country Forest Notes, per the Forest Action Plan, was to integrate forests in development analysis and portfolio planning:

> The Systematic Country Diagnostic (SCD) and Country Partnership Framework (CPF) instruments offer ideal platforms to identify the challenges and opportunities related to forests in a strategic and integrated manner within the WBG and with country counterparts upstream in the programming process. The Environment and Natural Resources GP, which leads the work on forests, is committed to the preparation of Country Forest Notes.1 These succinct but comprehensive notes will present the status of forests and provide options to minimize trade-offs by assessing the potential adverse impacts of sector investments on natural forests…[3]

The Liberia CFN makes no mention of the SCD or (planned) CPF, and the SCD likewise fails to mention the CFN[4]. This is a missed opportunity to "upstream" forests in the formulation of the WBG portfolio. Given the intent of the CFN is to provide input for this process, and the importance of forests in Liberia, one is left to wonder why, and whether/how the WB will achieve integration of these planning documents going forward.

In sum, we welcome the Liberia CFN, its presentation of forest sector issues, and how the Bank is addressing them. That said, the gaps noted above are significant in limiting its impact. For this and other CFNs to genuinely contribute to sustainable development, they need to be addressed.

1. Based on a desk review of World Bank Group project information by Bank Information Center. Classifications as pro-forest or increasing risk to forests are based on stated functions/development objectives of the projects, not a review of actual impacts.

2. Keith Lawrence & Eduard Niesten, Conservation International; and Eric Werker, Harvard Business School, Nov. 23, 2009, https://www.cbd.int/database/attachment/?id=772; 65 pp. Accessed 10/29/18. A further analysis by these authors, plus Jessica Donovan and Christopher Neyor, is contained in Assessing Potential Carbon Revenues From Reduced Forest Cover Loss In Liberia (n.d./2011), which underscores (p. 18) the importance of a transition to more efficient agriculture, ensuring that tree crop plantations are located on degraded land rather than forest areas, and introducing energy-efficient stoves for charcoal and fuel wood.

3. Forest Action Plan (World Bank, 2016), p. 52.

4. The SCD, which includes 20 other World Bank documents in its bibliography, does address forests and natural resource management, among many other development challenges. It notes (p. 33) that "In 2013/14, logs and timber contributed 4.1 percent to GDP, while charcoal and wood contributed 11.1 percent." The SCD identifies (p. 62) "Improving the management of natural resources" as one of 14 priority development policy interventions and states (pp. 57-58) "Because most of Liberia's rural population depends on forest products and ecosystem services, the country's ongoing deforestation poses a major social and economic threat. Liberia has established a relatively robust legal framework for forest management. … However, enforcing this legislation remains a challenge." Further it acknowledges (p.70): "Projects that exploit natural resources are inherently disruptive to local populations and may negatively affect livelihoods, traditional cultures, and community governance."