How does stakeholder engagement improve forest projects?

Forests' Value to People

With a world population that is increasingly urban, it may be easy to overlook the role that forests play, directly and indirectly, in peoples' lives. However, according to a study prepared (2018) for the United Nations Forum on Forests:

The world's forest ecosystems provide critical and diverse services and values to human society. As primary habitat for a wide range of species, forests (1) support biodiversity maintenance and conservation.[1] Forest growth (2) sequesters and stores carbon from the atmosphere, contributing to regulation of the global carbon cycle and climate change mitigation. Healthy forest ecosystems (3) produce and conserve soil and (4) stabilize stream flows and water runoff—preventing land degradation and desertification, and reducing the risks of natural disasters such as droughts, floods, and landslides. Forests also (5) serve as sites of aesthetic, recreational, and spiritual value in many cultural and societal contexts, and (6) contribute to poverty eradication and economic development by providing food, fiber, timber, and other forest products for subsistence and income generation.[2] [numbering added]

The last is perhaps most often overlooked by urban dwellers: according to the UN Food and Agriculture Organization (FAO), forests play a crucial role in providing food security. Close to 1.6 billion people – more than 25 percent of the world's population – rely on forest resources for their livelihoods and most of them (1.2 billion) use trees on farms to generate food and cash.[3]

Those who rely on forest resources are key stakeholders in decision making around forest protection. Among them, the most closely tied to forests are Indigenous Peoples (and forest peoples in general). Their relationship to forests is intrinsic to their communities. Forests are key to their survival, culture, history, heritage, and livelihoods. Yet those who depend the most on forests are often marginalized — in part because their close reliance on forests means less engagement in the cash economy and global economy. Coronavirus lockdowns will tend to increase this reliance as formal employment connected to forests, such as ecotourism, shrinks.

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1. Forests harbor most of the Earth's terrestrial biodiversity, including 60,000 different tree species, 80% of amphibian species, 75% of bird species, and 68% of the world's mammal species. See UN Environment World Conservation Monitoring Centre (UNEP-WCMC), Earth's biodiversity depends on the world's forests, 22 May 2020 (accessed 14 August 2020).

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2. Michael Jenkins and Brian Schaap, Forest Ecosystem Services, UN Forum on Forests (UNFF), April 2018. Accessed 24 July 2020.
3. FAO, The Role of Forests in Food Security and Forests and poverty reduction, updated May 2015, accessed 24 July 2020.

Engaging Indigenous Peoples and Local Communities

Thus, when the World Bank teams up with a government to undertake a forest sector project, stakeholder engagement, especially with those who know the forest best, is key to success. In fact, some of the most notable successes have come from projects that make stakeholder engagement their central feature.

This is the case for example of the Dedicated Grant Mechanism (DGM) for Indigenous Peoples and local Communities (IPLCs). The idea of the DGM is to provide funding directly to IPLCs, through representative, home-grown organizations, with multiple DGM projects in eight countries in Africa, Asia, and South America. In Peru, "As Indigenous Peoples, we [organized a] mechanism of titling indigenous communities [and facilitated] the provision of land titles to 60 indigenous communities. [The] DGM has enabled us to build capacity of IPs in decision-making and move forward with land titling processes."[4] This is notable because efforts to advance community or collective land titling have failed in cases where IPLCs were not directly involved in the process.[5] The structure and approach of the DGM should serve as an example as the Bank considers how it can best support Indigenous Peoples. By using similar mechanisms, through programs such as PROGREEN, the Bank can more effectively incorporate Indigenous Peoples in decision-making processes

The failure of projects that do not engage Indigenous Peoples underscores why a key element of stakeholder engagement is the consultation process, and why in the case of Indigenous Peoples, the international standard for consultation is free, prior, informed consent (FPIC).[6] The reason why FPIC is critical is that Indigenous Peoples' identity and livelihoods are holistically connected to their collective territories. FPIC enables bottom-up participation and consultation prior to allowing any development on ancestral land, territories, or property under customary use, or the use of resources within the indigenous population's territory. At the World Bank, FPIC is mandated under Environmental and Social Standard (ESS) 7.[7]

The Need for Follow-through

Of course, while projects are required to engage stakeholders, they will only be effective if the input from consultations is incorporated into project design and implementation. When Conservation International launched a project aimed to develop a 485,000 hectare (4,850 sq. km.) multi-use area in Equateur province in DR Congo, it started with participatory mapping and stakeholder engagement workshops to help determine which areas residents relied on for livelihoods and which were primary habitats for bonobos (Pan paniscus), the endangered great ape species of conservation concern. Such conservation efforts typically succeed or fail based not only on external support, but also on internal engagement. In this case, while communities engaged actively in mapping and management planning, the African Development Bank froze and eventually

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4. Ruth Buendia, DGM Global Steering Committee Member, in DGM 2019 Annual Report, p. 27, accessed 4 August 2020.

5. According to FAO, granting rights through tenure reforms represents a necessary step for enhancing the livelihoods of smallholders and communities, and for improving forest management. Community forestry plans can also be designed specifically to benefit poor and marginalized individuals and groups. FAO cites research on community-based forestry (CBF) from 2009 that identified four fundamental findings that applied across all cases:

   • CBF reduced social inequity only when it explicitly targeted the poor and marginalized; similarly, CBF significantly reduced poverty only when poverty alleviation was adopted as an explicit goal.

   • CBF expanded the decision-making opportunities available to community members, thereby enabling them to sow change and reap multiple benefits.

   • The poor and marginalized were able to enlarge their share of benefits by gaining entry and actively participating in those decision-making opportunities.

   • Poor and marginalized households were more likely to share in benefits delivered by CBF to the community as a whole than to gain from it individually.

   From Don Gilmour, Forty years of community-based forestry A review of its extent and effectiveness, FAO, 2016, p. 73.

6. This is consistent with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP, adopted by the General Assembly 13 September 2007) which states (Article 4) "Indigenous peoples, in exercising their right to self-determination, have the right to autonomy or self-government." Further, Article 10 provides that "Indigenous peoples shall not be forcibly removed from their lands or territories. No relocation shall take place without the free, prior and informed consent of the indigenous peoples concerned and after agreement on just and fair compensation and, where possible, with the option of return." Similarly, International Labour Organisation's Convention on Indigenous and Tribal Peoples in Independent Countries - 169/1989 (ILO 169) refers to the principle of free and informed consent in the context of relocation of indigenous peoples from their land in its article 6. In articles 6, 7, and 15, the convention aims at ensuring that every effort is made by the States to fully consult with IPs in the context of development, land and resources. See also FAO, Free Prior and Informed Consent – An Indigenous Peoples' right and a good practice for local communities, October 2016.

7. ESS7 is officially titled "Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities." Circumstances requiring FPIC are covered in paragraphs 24-28, pp.79-80.

withdrew funding promised for the project, and the plans for community-managed forests and protected areas, based on the community-drawn maps, were never realized. This disconnect and resulting project termination disappointed both the communities and the conservationists.[8]

A similar problem seems to exist with projects proposed by the Forest Carbon Partnership Facility's (FCPF) Carbon Fund (CF), specifically with plans in Nicaragua and Peru. Despite strong FCPF consultation requirements,[9] key groups of Indigenous Peoples have either been ignored or left out of CF consultations, notably on benefit-sharing mechanisms. Yet without these groups' support, these programs are unlikely to achieve their objectives, since they serve as stewards of key forest territories.

In April, the World Bank approved a $178.2 million Investing in Forests and Protected Areas for Climate-Smart Development Project in Uganda. While the project is complex and faces many challenges, the Bank has acknowledged that "Adequate consultations and engagements throughout the project will ensure that the project design incorporates local knowledge on, e.g. cultural heritage sites. Appropriate means of consultations and information disclosure, in e.g. the Batwa communities, need to be utilized, using local knowledge and languages and appropriate information materials."[10]

This is a promising start, and the Bank's own ESS 10, on Stakeholder Engagement and Information Disclosure, "recognizes the importance of open and transparent engagement between the Borrower and project stakeholders as an essential element of good international practice. Effective stakeholder engagement can improve the environmental and social sustainability of projects, enhance project acceptance, and make a significant contribution to successful project design and implementation."[11] The Uganda

forests project is one of the first to be implemented under the new ESSs, so it offers a chance to demonstrate the Bank's commitment to these principles. Follow-through will be key.

Making Engagement Effective

While community-based forest management has been demonstrated to be among the most effective forest management models, especially in developing countries where national-level governance may face severe constraints, forest and forest-dependent communities do not necessarily have all the tools, resources, and knowledge they need in a rapidly changing world.[12] Certainly there are now relatively low-cost tools for monitoring forests (e.g. drones, mobile apps) that weren't available a decade ago.[13]

Informed decision-making requires timely and relevant evidence. But beyond information- sharing, what are best practices for stakeholder engagement in forest projects? Other key elements of stakeholder engagement include:

- **Identify stakeholders correctly.** There are often groups that may not be readily identified as stakeholders by outside parties, who might be intentionally excluded if they are expected to bring a more critical perspective, or whose role may be misidentified. For these reasons, a thoughtful and objective stakeholder analysis is an essential first step in stakeholder engagement.

- **Start early.** Engagement that begins after parameters have been set can backfire, lead to misunderstandings, slow the entire process, and exacerbate existing social and environmental conflicts. Stakeholders should be included early in the process so that they can have a voice in project development and have a sense of ownership. This is particularly important in the forest context, where people are often deeply rooted to the land.

- **Share information.** For stakeholders to engage effectively, they need to be informed about the project and the parties involved. Information should

8. The author served as CI's liaison to AfDB for the duration of the project.

9. Both ESS 10 (Stakeholder Engagement) and ESS7 (Indigenous Peoples) should apply.

10. Minutes of Meeting between BIC and World Bank team on Uganda Investing in Forests and Protected Areas for Climate-Smart Development (IFPA-CD) Project (P170466), May 21, 2020 – draft received July 9,2020.

11. World Bank ESS10, para. 1. Para. 2 further emphasizes how to engage: "Stakeholder engagement is an inclusive process conducted throughout the project life cycle. Where properly designed and implemented, it supports the development of strong, constructive and responsive relationships that are important for successful management of a project's environmental and social risks. Stakeholder engagement is most effective when initiated at an early stage of the project development process, and is an integral part of early project decisions and the assessment, management and monitoring of the project's environmental and social risks and impacts."

12. See Lok Mani Sapkota, Hari Dhungana, Bishnu Hari Poudyal, Binod Chapagain & David Gritten, Understanding the Barriers to Community Forestry Delivering on its Potential: An Illustration from Two Heterogeneous Districts in Nepal, Environmental Management volume 65, pages 463–477 (13 February 2020), accessed 4 August 2020.

13. See Karyn Tabor and Lawrence Connell, Applications Of Forest Monitoring Tools For Development Projects, pp. 2-9, Bank Information Center, March 2019. Social aspects of forest projects also benefit from new tools. See "New monitoring methods and tools make development more effective," in Netherlands for the World Bank, October 31, 2019.

be accessible and understandable to the stakeholders, in terms of language and format, and should be available with plenty of time in advance of planned discussions or meetings so that stakeholders have time to digest it and discuss amongst themselves. Project leads should recognize that sharing is reciprocal: project sponsors may have as much to learn from stakeholders as stakeholders do from them.

- **Communicate effectively (clearly, fully, freely, safely).** This means being clear on limits/parameters of project possibilities by setting reasonable expectations and addressing alternatives. An effective consultation should seek to understand and consider issues and concerns of stakeholders. The expectation behind that engagement is that the project sponsors will work with stakeholders to confirm that their concerns, interests, and recommendations are directly reflected in the alternatives developed, and they should provide feedback on how the input received influenced the decision. Effective consultation also means getting stakeholders to talk to each other, breaking down silos, so there is shared understanding. Additionally, it requires that communication be conducted in a way that participants feel safe to express their views.

- **Maintain communication throughout the project.** Engagement is not a "one-and-done" process: understanding of projects and reactions evolve as the project itself takes shape. This is especially true in a rapidly changing, often unpredictable world. Maintaining communication and channels open for effective stakeholder engagement allows for adaptive management and for effective responses to changing conditions. Project implementers should also make sure that stakeholders are aware of how to access an independent process for submitting any complaints or concerns about the project, including about the stakeholder engagement process. Project implementers should take these concerns seriously and adapt engagement processes accordingly.

This is not a full guide to effective engagement but is intended to provide insight into the multiple aspects that make stakeholder engagement essential for projects' success.

How does stakeholder engagement improve forest projects? The answer involves multiple aspects:

- Stakeholder feedback can improve *project design* by incorporating local knowledge.

- Stakeholder engagement in *implementation* can promote adaptive management as those on the ground bring local conditions into consideration.

- An ongoing role for stakeholders *following project implementation* can promote sustainability by providing in-person monitoring as conditions evolve and helping to maintain project results, e.g. continuing to protect trees.

- Stakeholders both near and far, if engaged from the start, provide an important *constituency of political support* for forests and ecosystems that don't otherwise have a strong voice in decision-making.

For all these reasons, project sponsors need to actively engage communities in managing the forests they seek to preserve. Moreover, this underscores the importance of maintaining consultation throughout a project, and that free, prior, informed consent is not a one-off event, but an ongoing process throughout a project's lifetime.

Post-Script: Stakeholder Engagement in COVID-19

While stakeholder engagement normally takes place through in-person consultations, that is certainly complicated by pandemic conditions, limiting both travel and face-to-face meetings. Alternative consultation methods rely on technology, which has the potential to include more varied stakeholders. However, forest peoples (and other stakeholders) may not have access to this technology, and even if they do, they may not be comfortable expressing their views on such a platform.

Thus, development banks must strive to explore multiple methods for stakeholder engagement, including arranging in-person meetings to the fullest extent possible — in ways that are safe for all. Safe consultations require participants to wear masks, maintain physical distance, hold more but smaller meetings, and possibly move larger meetings outdoors. These measures may be inconvenient, and add to consultation costs, but effective stakeholder engagement can mean the difference between failure and success, or more often, between a short-term fix and long-term results. It's worth the effort to get the latter.