

Kredit Antrag:**PROFOR (Program on Forests):****A partnership between the World Bank and Bilateral Donors on Integrating Forestry into Sustainable Development****1. Summary**

PROFOR is a multi-donor partnership pursuing a shared goal of enhancing forests' contribution to poverty reduction, sustainable development and protection of environmental values and services.

Initially established in 1997 to implement the outcomes of the Intergovernmental Panel on Forests (IPF), PROFOR relocated from the United Nations Development Programme (UNDP) to the World Bank in 2002 to help to implement policy goals defined by the international community in the framework of the United Nations Forum on Forests. PROFOR's program of work is consistent with the objectives of the new World Bank's Forest Strategy and Policy (approved in October 2002), which is built on three pillars: harnessing the potential of forests to reduce poverty; integrating forests in sustainable economic development; and protecting global forest values. It collaborates closely with the World Bank's ESSD¹ Forest Team, which in partnership with regional operation areas of the Bank has the responsibility for implementing the Forests Strategy, and for mainstreaming these supporting concepts.

Under the **overall objective** of *strengthening the capacity of national forest programs and other forest-related processes to better address poverty alleviation, sustainable development and forest conservation needs*, the PROFOR partnership will address **four key themes**:

- **livelihoods**: building more people-centered and poverty focused approaches to sustainable forest management (SFM);
- **governance**: realignment of government, private sector and other civil society roles and responsibilities; creation of incentives to encourage partnerships; and enhancement of major actors accountability in the forest sector;
- **enhanced financing options**: development of innovative financing strategies and marketing systems to support SFM;
- **cross-sectoral and macroeconomic measures impact on forests**: analysis and exploration of approaches to utilizing forests more effectively to achieve larger cross-sectoral objectives.

With this focus, PROFOR is in line with the broad orientation and coherent with the strategic priorities of SDC. The objectives and basic principles promoted by PROFOR show a high degree of convergence with SDC's NRU-Mittelfriststrategie 2003-2007. PROFOR can make valuable first hand inputs to the SDC's country programs. Particularly the East Asia region, Eastern Europe, Central Asia and Latin America programs can benefit in the implementation of their respective natural resource management components in the PPP.

PROFOR's program objectives will be achieved through a strategic partnership involving the World Bank, bilateral donor agencies, the National Forest Program Facility implemented by FAO, CIFOR, developing countries and countries in economic transition, NGOs with specific expertise in sustainable forestry and conservation, and innovators in sustainable development in the private sector.

PROFOR has been planned for an initial period of five years (2002-2007). SDC will engage initially for a period of 19 months (December 2003 - June, 2005). Based on the analysis of PROFOR's achievements at the global level and in partner countries, as well as the results of the involvement and the potential benefits of SDC, the engagement in a second period is already scheduled (July 2005 to June 2007).

The yearly financial requirement to run PROFOR as a full-fledged program is about 1.8 to 2.1 million US\$. SDC will contribute with an amount of CHF 1'213.000.-, approximately 250.000 US\$ per year. This level of funding allows SDC to be actively involved in the Management Board and

¹ ESSD: Environmentally and Socially Sustainable Development Network in the World Bank: Central unit, reuniting the Social Department, the Rural Development Department and the Environment Department under the ESSD Vice-Presidency of the World Bank.

support the shaping of PROFOR's work program. The technical follow-up of SDC-involvement in the PROFOR partnership will be provided through the NRU/IC Outsourcing mandate with Intercooperation and does not need additional funding.

2. Context and Brief History

PROFOR is a multi-donor partnership hosted by the World Bank and bilateral donors that pursue a shared goal of enhancing forests' contribution to poverty reduction, sustainable development and protection of environmental services.

The first phase of the Program on Forests at UNDP (PROFOR-UNDP) was established in 1997 to promote improved forest management and related public and private sector partnerships and thus enhance forests' contribution to sustainable livelihoods. The initiative emerged from the UNCED-inspired Intergovernmental Panel on Forests (IPF), and the subsequent follow-up process, the Intergovernmental Forum on Forests (IFF), which represents one of the most comprehensive international partnerships on forests in recent years.

PROFOR-UNDP's collaborative work at the national level supported countries by supporting action learning in developing and implementing forest policy planning and implementation processes that more effectively address local needs and national priorities, and reflect the internationally-agreed principles for national forest programs (nfps). It also promoted the use of national forest programs as a basis to enhance cooperation in the forest sector. At the international level, PROFOR generated and promoted knowledge on national forest program processes and related thematic issues, notably livelihoods, governance, and strategies for financing sustainable forest management (SFM).

The continuation of PROFOR at the World Bank continues along similar lines, but has been adapted to incorporate considerations resulting from two significant developments at the international level: the establishment of the United Nations Forum on Forests (UNFF)² and the recent approval of a revised Forest Strategy and Policy for the World Bank in October 2002. There is a confluence of interests between the objectives of the UNFF and the three pillars of the new World Bank forests sector strategy, and the PROFOR focus therefore reflects the interests of both.

The World Bank's new forest strategy promotes a proactive re-engagement by the World Bank in forests. It also expands the Bank's approach to forests, to more deliberately include forests issues into the Bank's broader macroeconomic dialogue and cross-sectoral activities in developing countries and countries in economic transition, and with the technical agencies of its donor countries.

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3. Objectives

PROFOR will run for an initial period of five years (July 2002- July 2007), after which partners will consider whether to extend the program or not.

The **overall objective** of PROFOR is as follows:

To strengthen the capacity of national forest programs and other forest-related processes to better address poverty alleviation, sustainable development and forest conservation needs.

² The UNFF was established in 2001 as a subsidiary body of the United Nations in follow up to the IPF/IFF processes. The UNFF provides a forum for the international community to consider major global forests issues and trends and to support national level implementation. The UNFF is also supported by the Collaborative Partnership on Forests (CPF) comprised of international organizations and institutions.