



PROGRESS THROUGH PARTNERSHIP

WORLD BANK **W**ALLIANCE
BUSINESS PLAN 2003–2005

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FOREWORD

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The World Bank/WWF Alliance for Forest Conservation and Sustainable Use (“the Alliance”) was launched in 1998 to promote cooperation and maximize synergies between the two partner organizations. After four years of effort, the Alliance is well positioned to take stock of its accomplishments and progress to date and to mark how far it has yet to go.

The Alliance has made a significant contribution to improving the management of the world’s tropical, temperate, and boreal forests and has spearheaded some exciting, groundbreaking conservation efforts. Notably, the Alliance was instrumental in conceptualizing and shepherding the development of Brazil’s Amazon Region Protected Areas program (ARPA), which was launched at the World Summit on Sustainable Development (WSSD) in Johannesburg in September 2002. ARPA is an unprecedented effort to estab-

lish and effectively manage nearly 50 million hectares (125 million acres) of globally significant forest areas. The commitment to this project by the Alliance partners has already mobilized an initial U.S. \$81 million—including the largest Global Environment Facility (GEF) grant for biodiversity ever made. Another equally notable Alliance accomplishment is its support for the Yaoundé Summit in 1999 and the implementation process that followed. This helped to establish the political commitment and operational framework for conservation of the Congo Basin, the world’s second largest concentration of tropical moist forest after the Amazon. The Yaoundé process in turn helped to sow the seeds for the Congo Basin Forest Partnership—also recently announced at the WSSD. The Alliance has also played a key role in shaping the debate over the conservation and management of the world’s forests through active research and the development of analytical tools.

In spite of such laudable achievements, the struggle to secure the world’s forest resources for current and future generations is far from over. Many forests and forest-dependent people around the world remain under threat. In the tropics, deforestation is still taking a catastrophic toll on both biodiversity values and livelihoods. In temperate and boreal areas, forest quality is still rapidly declining. Such impoverishment of the world’s forests carries attendant risks of increasing environmental instability and causing a decline in both terrestrial biodiversity and in the goods and services—such as clean water, timber and nontimber forest products, and climate regulation—that forest ecosystems provide.

In order to meet this challenge, the Alliance needs to further refine its strategy and increase its efforts to leverage resources by strengthening partnerships and broadening coalitions. The Alliance must reach out beyond the Bank and WWF and further embrace governments, the private sector, conservation groups, and local communities in actions designed to urgently reduce the loss and degradation of forest resources and protect the livelihoods that they sustain.

This Business Plan outlines the Alliance’s strategic approach through December 2005, which marks the end of the current Memorandum of Understanding (MOU) between the partner organizations. The plan will serve as the basis for all future activities and projects while providing the framework for monitoring and reporting on progress toward the global targets.

The document is divided into two parts. The first briefly reviews the origins of the Alliance and summarizes some of its key achievements to date. This provides the reader with a contextual understanding and the rationale behind the Alliance strategy for the coming years. The strategy for 2003–2005 is detailed in the second part of the document.

Kate Newman/WWF



Congo Basin. Alliance support for the Yaoundé process has helped to establish the political commitment and operational framework for conservation.

ORIGINS OF THE ALLIANCE

The Alliance for Forest Conservation and Sustainable Use was conceived out of joint concerns by the partner organizations about the state of the world's forests, their continuing degradation, and the effect this has on both biodiversity and some of the world's most vulnerable people. With forests being depleted at a rate of 28 hectares (69 acres)¹ per minute—equivalent to an area the size of Nepal lost annually—it was apparent to both partners that urgent, significant, and coordinated action must replace the business-as-usual approaches of old. Moreover, the partners recognized that action to save the forests must be on a scale commensurate with the extent of the problems.

When WWF and the World Bank joined forces in April 1998, the Alliance broke new ground. Two very different organizations with apparently different missions came together and discovered they had a common agenda of reducing poverty and protecting the environment. It was clear from the beginning that the strength of this partnership would lie in the combined efforts—and comparative advantages—of both organizations.

HARNESSING THE STRENGTHS OF BOTH ORGANIZATIONS

The Bank brings to the Alliance its considerable access to policy dialogue and convening power, together with a strong analytical capacity and extensive financing operations. These strengths are matched with WWF's formidable field presence, private sector partnerships, forest conservation expertise, and strong public trust. The Alliance puts these elements together in a strategic partnership designed

to significantly reduce the rates of loss and degradation of the world's forests. By combining the strengths of the Bank and WWF, and their partners, the Alliance is uniquely positioned to catalyze changes in forest policy and practice that will help to safeguard biodiversity and alleviate poverty.

The Alliance has shown how forest conservation and poverty alleviation can support each other. Through sustainable forest conservation and management practices, it is possible to secure the livelihoods of forest-dependent peoples, free hillside settlements from the threat of mudslides, protect catchments supplying clean and drinkable water, spare fisheries from habitat-destroying silt, protect wildlife from the onslaught of unsustainable hunting, and empower communities to manage local resources. Achievements such as these are key both to reducing poverty and to protecting forests and their associated biodiversity values.

REACHING FOR GLOBAL TARGETS

The Alliance works to achieve three targets across tropical, temperate, and boreal forest types by 2005:

- 50 million hectares of new forest protected areas,
- 50 million hectares of existing but highly threatened forest protected areas secured under effective management, and
- 200 million hectares of production forests under independently certified sustainable management.

The rationale behind the Alliance's ambitious targets is twofold. First, they are “challenge targets,” intended to stimulate and catalyze the conservation efforts of multiple stakeholders. Second, they serve as operational objectives to focus the forest-sector activities of the World Bank and WWF.

WWF—Canon/Soh Koon Ching



Southeast Asia. The Alliance is uniquely positioned to catalyze changes in forest policy and practice to help safeguard biodiversity and alleviate poverty around the world.

¹ One hectare is equal to 2.471 acres.

It is important, however, not to lose sight of the overall goal which informs the Alliance's work, while in pursuit of the targets themselves. The targets merely serve as milestones to guide the Alliance on the path to secure the world's forests and biodiversity. However, this endeavor must extend well beyond the Alliance's own scope and lifespan. As such, this document seeks to evaluate the Alliance's performance, based not only on quantitative progress toward the targets but also on the qualitative influences it has had on awareness and the enabling conditions for sound forest conservation and management practices.

Figure 1 illustrates the Alliance's progress toward its targets for 2005. In spite of the initial skepticism that greeted the Alliance on the scale of these ambitious targets, progress over the first three years has been considerable. The target for 2005 of 50 million hectares of new

protected areas has almost been met, and the target for 50 million hectares under improved protected area management has been exceeded. Much more remains to be done, however, to achieve the target of 200 million hectares of production forests under independent certification. This has required a longer-term effort to lay the groundwork for sustainable forest management.

OVERVIEW OF GLOBAL ACTIVITIES

The Alliance is a mechanism for cooperation between the Bank and WWF. As such, the two partners have always understood that in measuring progress toward the targets they should take into account not only the results from their joint Alliance efforts but also what each of the partners achieves through its individual efforts, as well as others' efforts, catalyzed by Alliance interventions.

The activities described in this report reflect the totality of these efforts. They are illustrative of the types of work the Alliance is currently engaged in to promote forest conservation and sustainable use around the world, but by no means encompass all Alliance projects and programs. For a more inclusive and wide-ranging description of past and ongoing Alliance activities, the reader is referred to the Alliance Annual Reports and the Alliance Web site (www.forest-alliance.org).

New Protected Areas

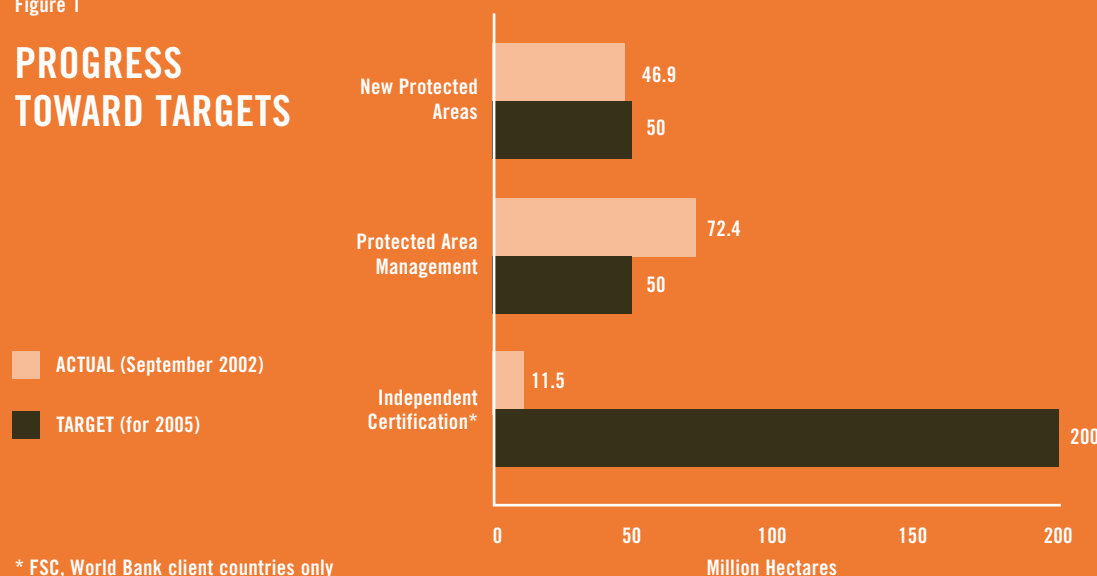
The Alliance has almost met its target for new protected areas, with just under 47 million hectares of new protected areas either created or pledged to be created, through direct Alliance efforts, the WWF Gifts to the Earth initiative, or World Bank projects, including those it implements for the Global Environment Facility (GEF).

The Congo Basin

In the Congo Basin, the Alliance has been a key supporter and facilitator of the Yaoundé process to conserve and sustainably manage the region's forests. As a result of the Yaoundé process, a total of 3.4 million hectares of new protected areas have either been created or are in the process of being created—amounting to a 31 percent increase in the protected forest area of Central Africa. The political commitment and operational framework of the Yaoundé process has, in turn, laid the foundations and acted as a catalyst for the Congo Basin Forest Partnership, which was launched at the WSSD in September 2002. The Congo Basin Forest Partnership will provide support for a network of up to 10 million hectares of effectively managed national parks and protected areas and up to 20 million hectares of sustainably managed forest concessions in six Central African countries—Cameroon, Central African Republic, Democratic Republic of the Congo,

Figure 1

PROGRESS TOWARD TARGETS



Equatorial Guinea, Gabon, and the Republic of the Congo. At the WSSD, Gabon's President Bongo announced an entirely new system of national parks, in the context of the Congo Basin initiative, that will safeguard some 2.5 million hectares—10 percent of the country's entire landmass.

The Amazon

In the Amazon, the Alliance's flagship effort in Brazil has been advancing the Amazon Region Protected Areas program (ARPA)—an unprecedented and far-reaching initiative on the part of Brazil to create 28.5 million hectares of new strict protected areas over the course of a 10-year period, including outstanding examples in each of the 23 ecoregions that comprise the Amazon Region. An initial 4.5 million hectares of new strict protected areas have already been established under the first phase of ARPA, with an additional 4.5 million hectares to be established by 2005. In addition, 1.5 million hectares of new extractive reserves have been established, and an additional 7.5 million hectares are expected by 2005. The Alliance has provided input at critical junctures, facilitating political commitments and providing technical know-how and seed funding. In addition, the Alliance partners have committed to raising \$140 million² by 2005, leveraging additional funding from the GEF and other donors. Elsewhere in the Amazon, an Alliance project in the Biabo Forest Concession in Peru demonstrates how Alliance engagement in one area can have positive spin-offs for another. The Alliance has supported the Timber Concession Reform Process in Peru since 1999. Through its engagement in the process, the Alliance facilitated the development of a flexible framework and tools that were used in a recent forest concessions' public bidding process. As a result of this approximately 3.2 million hectares of permanent production forest were awarded to timber enterprises for sustainable management. In addition, the land planning

² All currency amounts are in U.S. dollars.

Madagascar. Strengthening forest sector policy, promoting national forest management standards, and raising awareness about destructive logging practices will help build an enabling environment toward independent certification.

Russell Mittermeier/WWF



process used to map the Biabo forest concession helped to identify the about 1.4 million hectares of protected forest area, which was later declared Cordillera Azul National Park.

Mongolia

In Mongolia, an Alliance-supported project was one of six grassroots conservation and development programs throughout the world that received special recognition by the United Nations at the WSSD in Johannesburg. Led by Vice-Khamba Lama Byambajav, the Principal of the newly established Buddhist College in Ulaanbaatar, the project has identified 600 places, mostly mountains, forests, trees, and springs that are sacred to Buddhist people.

Descriptions of these sites were published in a book launched by the Prime Minister of Mongolia and the President of the World Bank in May 2000 and pilot conservation programs have begun in five of the key sites.

Improved Management of Existing Protected Areas

Improving management is an incremental process that requires the establishment of a clear baseline level of activity, the development and application of diagnostic and monitoring tools, and the mobilization of resources. The Alliance has made significant progress in each of these steps in its activities around the world, with the

Alliance partners supporting incremental improvements in protected area management covering over 72 million hectares. In an effort to capture the specific improvements being undertaken, the Alliance is currently in the process of tracking progress in accordance with the management effectiveness framework developed under the auspices of the World Commission on Protected Areas (WCPA) with Alliance support.³

The Congo Basin

As part of the Yaoundé process, the Alliance goal is to assist in improving the management of 5 million of the 13.5 million hectares of existing protected areas in the Congo Basin. As a first step, the Alliance has focused on the imperative to identify sustainable financing for forest conservation. An Alliance-funded study described in detail a range of possible funding mechanisms, and the Alliance is now working with governments to identify and develop the best financing mechanism for the 2.87 million-hectare Sangha Tri-national Park.

Brazil

In Brazil, the ARPA program includes a commitment to improve management of 6.7 million hectares of existing protected areas by the year 2005. The Alliance will support both a baseline review of existing management practices and a comprehensive effort to upgrade local management systems.

South Asia

In South Asia, the Alliance is supporting a major initiative in the 5 million-hectare Terai Arc region along the border of India and Nepal, a key global habitat with some of the last remaining populations of Asian tigers, rhinos, and elephants. The Alliance is helping to design and fund a landscape-level conservation initiative that will utilize

newly created corridors and connected spaces in the buffer areas of existing parks and reserves to not only protect wildlife but also secure the livelihoods of local communities.

Sustainable Forest Management/ Independent Certification

The Alliance discovered early on that progress toward certification first requires a long-term effort to build awareness and establish the enabling conditions necessary for sustainable forest management (SFM). Consequently, the Alliance is taking a stepwise approach to its certification target, concentrating its efforts on building the human capacity, institutional policies, and fiscal regimes that will lay the foundation for improved management practices and governance of forest resources.

The Alliance has supported efforts to improve the enabling environment for SFM in 20 countries around the world. Strengthening forest sector policy, promoting the development of national forest management standards, promoting Forest and Trade Networks (FTNs),⁴ and raising awareness about destructive and often illegal timber harvesting and trade practices are all steps toward independent certification.

The Alliance does not formally recognize any one certification scheme. Instead it has established a set of 9 principles and 11 criteria that it considers requisite to certification. At present, the Forest Stewardship Council (FSC) is the only certification scheme that clearly meets all the Alliance criteria, although non-FSC certification schemes will be counted toward the Alliance's target in the future, if they clearly meet the required principles and criteria. To date, the efforts of the two partner organizations can be linked to 11.5 million hectares of FSC-certified forest in World Bank client countries.⁵ In addition, the Alliance has tried to promote dialogue where multiple certification schemes are the market reality. For example,

in Bulgaria the Alliance has supported a national standard working group that has opted for a certification standard open to endorsement by both the FSC and the Pan European Forest Certification Council (PEFC).

East Asia/Pacific

A flagship Alliance effort to shape the SFM agenda has been its work to help address the widespread problem of illegal logging in East Asia/Pacific. The Alliance supported regional workshops in Phnom Penh and Jakarta that highlighted the seriousness of the problem and explored possible regional and national approaches to strengthen law enforcement. These efforts helped stimulate additional efforts that led to a key regional Ministerial meeting in September 2001 on Forest Law Enforcement and Governance (FLEG). The meeting issued a strong political declaration and adopted a regional plan of action in an unprecedented public acknowledgement of the seriousness of these issues that promises continued high-level political attention to the problem.

Europe

The prospects for certification are perhaps brightest in Europe given its access to environmentally discerning markets in Western Europe. The Alliance has supported a range of activities in Russia, which has the largest potential area for certification. For example, the Alliance has

³ For more details on the WCPA framework, please refer to the LCB section on page 6.

⁴ FTNs create linkages between producers of certified timber (or timber in the process of becoming certified) and wholesalers and retailers in environmentally discriminating markets.

⁵ While tracing the direct contribution of the Alliance to certification of a particular forest stand is difficult, WWF's role in supporting the FSC, creating the market conditions, and facilitating standard-setting and field assessment processes has been instrumental in each contribution to the total area of FSC-certified forest.

supported an 800,000 hectare pilot certification project in the Komi Republic, as well as a network of environmentally responsible timber producers which can form the core of a national producers group.

LEARNING AND CAPACITY BUILDING

Early on, the Alliance partners recognized the need for a closer examination of the state of the world's forests and their conservation and management. The Alliance subsequently invested in extensive baseline research and analysis to identify key issues. Of particular importance were several studies that have helped shape the agenda of the Alliance.

The Forest Industry in the 21st Century. In assessing the state of the global forest products market, this 2001 report underlined the fact that just 25 countries account for nearly 90 percent of total global production of wood products and that just 50 companies process 43 percent of the world's annual consumption harvest. The report demonstrated the important role that independent certification could play in promoting improved forest management. Increased efficiency and effectiveness will be very important in limiting the additional impact on the world's forest that will result from the increased demand for wood expected by 2050. Of these top 25 producers, 13 are Bank client countries.

Setting a Global Vision. In collaboration with leading experts, nongovernmental organizations (NGOs), private sector corporations, and donor agencies, the Alliance has articulated a global vision for the forest sector by the year 2050. The vision's underlying hypothesis is that the ongoing worldwide trend toward intensification of forest management in a contained area could contribute to freeing

up a greater forest area for other valuable purposes. These include biodiversity protection and environmental services, as well as community management and recreation. In this context, the Alliance is exploring the feasibility of reducing the global footprint of wood producers by shifting industrial-scale logging activity away from primary forests into more intensively managed secondary forests and plantations.

Threats to Protected Areas. A seminal IUCN study commissioned by the Alliance surveyed 10 key forested countries and found that only one percent of forest protected areas were regarded as secure and many were already suffering from serious degradation and loss. This finding prompted the Alliance to create its improved management of protected areas target. In addition, in collaboration with the WCPA and others, the Alliance helped develop a framework for assessing protected area management effectiveness. The framework suggests that periodic assessments of a project can signal the types of interventions needed to increase management effectiveness. Subsequently, the Alliance has developed several practical tools for use within the framework, as described in the next section.

These early findings helped define the Alliance's strategic direction, and the Alliance is now trying to effectively utilize the extensive information that it has acquired through these and other studies by including a learning and capacity building (LCB) component in all its work. As part of the LCB effort, the Alliance invested resources in developing a suite of diagnostic and training tools that will build understanding and strengthen capacity in both protected area management and sustainable forest management. LCB tools target two principal areas across the Alliance's regional programs: promoting the effective management of protected areas and promoting sustainable forest management (SFM).

Protected Area Management Effectiveness

The Alliance helped develop two specific assessment tools consistent with the WCPA framework for evaluating management effectiveness. These tools can be employed to guide management and resource allocation decision making while monitoring the changing status of management and contextual conditions.

Rapid Assessment and Prioritization Methodology (RAPM).

This is a system-wide management tool to analyze status across a protected area system—national or regional—and correlate areas in need of improvement with threat.

Management Effectiveness Tracking Tool. This tool is a simple diagnostic designed to help identify key problems and enhance monitoring and reporting through site-level assessments. The Bank is using this scorecard to help monitor progress in its projects to improve protected area management. The GEF secretariat has indicated interest in using the tool for monitoring progress in improving the management effectiveness of protected areas in their portfolio.

Sustainable Forest Management

Much of the Alliance's effort in promoting SFM has focused on the need to establish an enabling environment that can effectively support individual certification efforts. To this end, the Alliance has invested resources in developing specific tools and building an information sharing and training agenda around them.

The Pyramid: A Diagnostic and Planning Tool for Good Forest Governance. The Pyramid diagnostic and planning tool provides an analytical framework to stimulate participatory assessment and target-setting on forest governance at the country level and identify a wide range of possible

interventions to develop national capacity to support sustainable forest management. The Pyramid has been featured as a conceptual framework in the Bank's revised Forest Strategy and plans are underway to test it in the Europe/Central Asia region.

National Forest Management Standards Toolkit. A toolkit for use by National Working Groups (NWG) to establish national forest management standards was developed to help emerging national initiatives avoid the costly and time-consuming mistakes made by others. National standard-setting is critical, because certification bodies will eventually use such standards in certifying operations at the forest-stand level.

Forest Certification Toolkit for Eastern and Central Europe. Four toolkits and training packages on forest certification and sustainable forest management have been developed and initial training carried out, designed specifically for different target groups.

Information Clearinghouse in Southeast Asia. The Alliance has developed a Web-based information clearinghouse to help meet the demand for accurate and practical information on sustainable forest management and the requirements of certification, focusing primarily on the needs of industrial-scale forest managers in the Far East and Southeast Asia.

Manual on High Conservation Value Forests in Mesoamerica. A manual of field-tested techniques on technical forestry, biological monitoring, and socioeconomic assessment has been developed. Designed primarily for small, isolated, and economically disadvantaged rural communities in High Conservation Value Forests (HCVF), the manual provides a practical protocol for forest managers to gradually improve operations and realize direct cost savings, making sustainable forestry and independent certification economically feasible.

SUMMING UP: SUCCESSES AND PERFORMANCE GAPS AT THE MIDWAY POINT

This review of past Alliance activities demonstrates the creative and ambitious nature of the work supported by the Alliance. This is clearly manifest in the considerable progress made toward achieving the targets for protected areas—the target for 50 million hectares of new protected areas (or areas moving toward official designation) has

almost been met, and the Alliance is well on its way toward developing broad consensus on appropriate performance measures for tracking improvements in and beyond the 72 million hectares of protected areas where the Alliance partners are already supporting efforts to improve management.

Additionally, the Alliance has played a leadership role in advancing thinking on conservation planning, protected area management effectiveness, certification of sustainable forest management, and forest sector governance at both the regional and country levels.



WWF—Canon/Tantyo Bangun

Indonesia. A flagship Alliance effort to shape the sustainable forest management agenda has been its work to help address the widespread problem of illegal logging in Southeast Asia.

The Alliance has added value to individual WWF and Bank initiatives with actions furthering forest investments in China, Brazil, Southeast Asia, South Asia, and Russia. It continues to further protected area and sustainable forest management goals in the Congo Basin that were established by the Yaoundé Summit in 1999. Catalytic actions of the Alliance supported key Brazilian forest conservation initiatives and stimulated broad discussion of illegal logging problems in Southeast Asia.

Much more remains to be done, however, to attain the 200 million hectare certification target. As of September 2002, only 29.5 million hectares of forest are under FSC certification, mostly in temperate forests, and only 11.5 million hectares of this total are within Bank client countries. Moreover, the very reason that the certification target has proven so elusive—the widespread absence of an enabling environment for good management and pervasive, poor forest governance—poses the gravest risk of all to protecting the world's forests.

The Alliance also needs to strengthen its efforts to share the results of its work with the broader conservation community and the general public. Significantly, at this point the Alliance possesses far more information and expertise than it has been able to communicate effectively. Harnessing this knowledge and information through broader partnerships and fuller integration of the Alliance within the missions of WWF and the World Bank is a crucial next step for the Alliance to fulfill its vision for more effective conservation and sustainable use of the world's forests.

Amazon Basin. In promoting sustainable forest management, the Alliance has invested resources in developing specific tools and building an information sharing and training agenda around them.



Juan Pratginesos/WWF

The Alliance is now seeking to build on the accomplishments of the past three years by refocusing its efforts on key forested countries and those activities that maximize the comparative advantages of the partners. In addition, through closer integration with the broader missions of WWF and the World Bank, and more extensive outreach with a wide range of potential partners, the Alliance hopes to amplify the impact of its activities around the world.

The Alliance will continue to focus its work according to two main thrusts: 1) target driven activities with the potential to bring significant benefits in terms of on-the-ground field realities, and 2) activities oriented toward shaping the attitudes and agenda of institutions with a major stake in the way that the world's forests are both governed and managed.

STRATEGIC OBJECTIVES

In line with these two main components, the Alliance has developed four interrelated strategic objectives which it will focus on over the next three years. These are

- Mainstream activity more effectively into World Bank Country Assistance Programs;
- Mainstream activity more effectively into WWF Ecoregion Action Programs and the Forest Target Driven Program;
- Highlight and strengthen the linkages between forest management and poverty reduction objectives; and
- Move major opportunities forward by scaling up resource mobilization.

Mainstream activity more effectively into Bank Country Assistance Programs

Through its policy dialogue with national governments and its convening power with other multilateral and bilateral aid agencies, the World Bank has a unique opportunity to elevate the importance of sound forest management practices in national development. Country-owned Poverty Reduction Strategy Papers (PRSPs) and the Bank's Country Assistance Strategies (CASs) and Economic and Sector Work (ESW) provide ideal vehicles to integrate Alliance objectives. Of particular relevance is the ability of WWF, through the Alliance, to assist the World Bank and national governments in conservation planning, to improve dialogue with elements of civil society in the design and management of sector programs, and to establish linkages with responsible private sector companies through its Forest and Trade Networks.

Mainstream activity more effectively into WWF Ecoregion Action Programs and the Forest Target Driven Program

WWF has a twin approach to conservation—the use of Ecoregion Action Programs and biome-specific Target Driven Programs. This has been warmly welcomed as an innovative and holistic way to integrate the biophysical and socioeconomic dimensions of conservation planning and management and to measure progress toward the achievement of global objectives. While WWF is generally strong on the conservation side of the equation, it often lacks the leverage with finance ministries and the higher levels of national government that is needed to meaningfully affect development policy in other sectors which can have a significant impact on forests and the conservation agenda. The World Bank has such leverage. By working with the Bank and other key partners, WWF can help reach the Alliance's ambitious targets, something that neither organization could do alone.

Highlight and strengthen the linkages between forest management and poverty reduction objectives

The Bank's mission, and that of other multilateral and bilateral aid agencies, is now strongly focused on the Millennium Development Goals and poverty alleviation. WWF's mission focuses on biodiversity conservation, sustainable use of natural resources, and reduced consumption, particularly in affluent countries. Both organizations have long recognized the potential linkages between sound forest management practices and poverty alleviation objectives.

With nearly 1.2 billion people worldwide dependent upon forests for their livelihood, health, and cultural well-being, it is imperative that forest management be directed toward sustainable poverty reduction. In many areas, the commercial forest sector has the potential to bring significant benefits to local communities. However, this will only happen if the resource is maintained and local people are not disenfranchised from their traditional lands in the process and if they are provided with meaningful livelihood opportunities. In other circumstances, protected areas can help to effectively serve both the subsistence and the development needs of local communities, provided those communities receive an equitable share of the benefits from the protected areas and have a stake and role to play in protected area management and decision making. With the Alliance's dual focus on conservation and sustainable use, the Bank and WWF can work to ensure that the conservation and development sides of forest management projects take into account needs of people living in and near forest areas. Furthermore, the Alliance can be instrumental in engaging other actors and shaping the debate on appropriate conservation and development responses to the crisis facing the world's forests.

The Alliance will continue to encourage innovative and new initiatives relevant to its objectives and to mainstream its activities in both the work of the Bank and WWF through its core operations budget (see Annex). In addition, in the coming years, the Alliance will focus much of its efforts on resource mobilization for initiatives that can make a substantial contribution to its overall objectives in forest conservation and management. The ARPA project in Brazil is a prime example of the ability of the Alliance to move major opportunities forward. The project has been built on a political commitment at the highest level and, to date, has mobilized some \$81 million, including a \$30 million grant from the Global Environment Facility that is being implemented by the World Bank. Other funds have come from WWF, private foundations, and the German government. The role of the Alliance in this effort was catalytic—providing small amounts of funds to support studies, workshops, training courses, and other activities that were instrumental in moving the project forward during its four-year gestation period.

The Alliance will seek to play a similar role over the next three years in both the Amazon and other areas that offer similarly high rates of return. The Alliance is confident that it is indeed possible to mobilize significant financial, technical, and political resources in pursuit of ambitious conservation and sustainable use objectives. Key targets here will include the following:

- Raising an additional **\$140 million** by 2005 for ARPA, to provide a firm financial foundation for the later phases of what will ultimately be a 10-year, \$400 million initiative. The government of Brazil, WWF, the GEF and the World Bank released a joint statement at the Johannesburg WSSD outlining how they would work together in this task.

- Raising **\$50 million** for a conservation trust fund and a sustainable forest management innovation fund to support both the Yaoundé process and the Congo Basin Forest Partnership and to help secure improved management of both protected areas and production forests in the Congo Basin.
- Raising **\$30 million** for a forest innovation fund to accelerate progress toward the wide-scale adoption of certification in the forests of Eastern Europe where market prospects for certified forest products are strongest.
- Raising **\$10 million** to support the Mama Graun Conservation Trust Fund, which is designed to encourage forest conservation initiatives by communal landowners in Papua New Guinea. Provision for this fund has been included in the Bank-supported Forest Conservation and Management Project for Papua New Guinea. This includes a GEF commitment of up to \$15 million, with \$10 million of those funds being released on a dollar-for-dollar basis with other funds raised.

TARGET DRIVEN ACTIVITIES

Over the next three years the Alliance will pursue the strategic objectives as a means to make progress on the targets while helping to shape the attitudes and agenda of various stakeholders in the forest sector and beyond. In pursuit of the targets, the Alliance will seek to build on its existing experiences.

New Protected Areas. Given the number of existing protected areas lacking effective management, the Alliance will focus on creating a limited number of protected areas in only those countries or regions where the biodiversity values are significantly underrepresented within the existing system.

Improved Management of Existing Protected Areas. The Alliance will promote improved management of existing protected areas in those sites that have been pledged by the WWF Gifts to the Earth program and will follow up on previous or planned collaborative processes (e.g. Yaoundé, Caucasus, Terai Arc, etc.). In all cases, the Alliance will seek to promote the application of WCPA-compatible assessment tools as the barometer of measurement. In particular, the Bank and WWF will use assessment tools developed from the WCPA framework to monitor progress in the protected areas where each organization supports projects designed to improve protected area management.

Certification. The Alliance will continue its efforts to promote certification by building awareness, supporting multistakeholder standard setting processes, engaging and educating companies and governments, and initiating a new effort to promote certification of community forest management. Both the Bank and WWF will encourage a stepwise approach to certification to help developing countries progressively improve their national forest management standards.

Sustainably Managed Forests. The Alliance believes that certification for well-managed forests, and therefore progress toward this target, have the greatest chance of success when supported by an enabling policy environment and strong institutional structures. The Alliance will therefore seek to create and enhance the conditions that are supportive of high standards of forest management by focusing efforts on addressing illegal logging, promoting improvements in forest governance, and encouraging transparency and accountability in the international trade in forest products.

To deliver on its targets, the Alliance will concentrate its efforts in five regions of the world—Africa, East Asia/Pacific, Europe/Central Asia, Latin America, and South Asia. In each of these regions, a subregion and/or theme



WWF-Cannon/N. C. Turner

has been selected as the focus of Alliance activities. For each subregion or theme a series of objectives has been established and an illustrative set of projects has been proposed. Over the next several months the Alliance, and staff from the partner organizations, will refine the elements of illustrative activities. A brief description of each regional package follows.

Africa

The primary area of emphasis for the Alliance will be the Congo Basin, defined by the countries of Cameroon, Central African Republic, Democratic Republic of the Congo, Equatorial Guinea, Gabon, and the Republic of the Congo. In this area, the Alliance will add value to ongoing efforts to implement the protected area, sustainable

forest management, and livelihood commitments established under the auspices of the Yaoundé Summit.

Objectives

1. Establish effective management in the transboundary protected areas of Sangha Tri-national Park and Dja/Odzala-Kokouati/Minkebe Conservation Area.
2. Bring a minimum of 2.5 million hectares of production forest under an independently certified sustainable forest management regime.

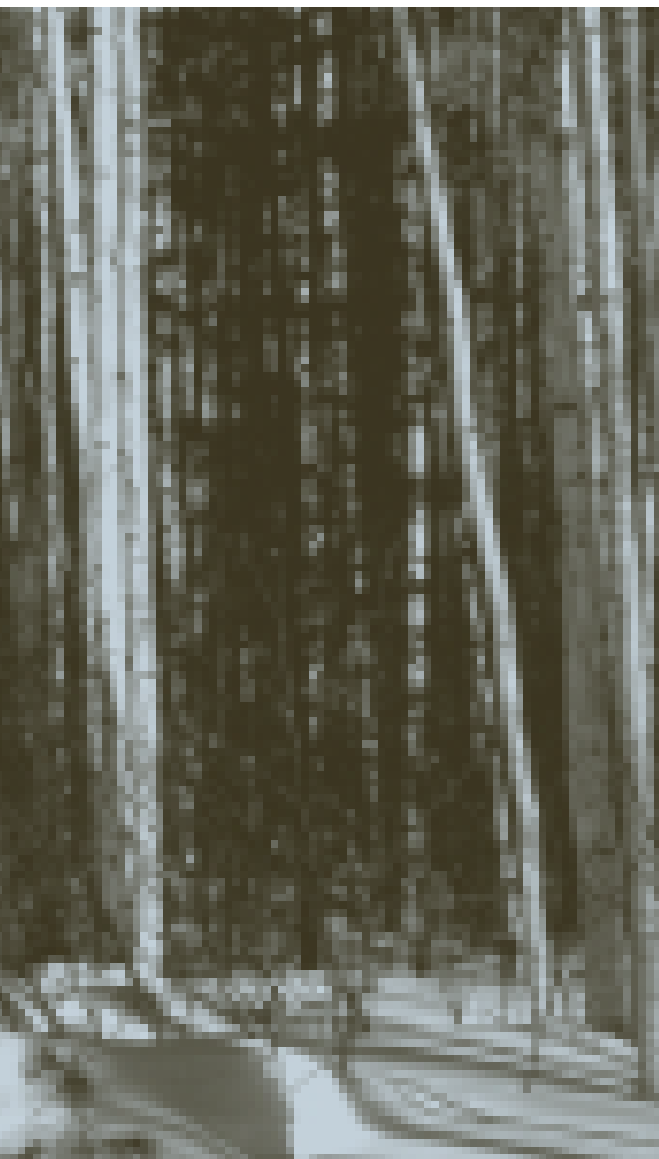
Illustrative Activities

- Build a \$25 million trust fund to support long-term conservation objectives in critical transboundary protected areas.

- Build a \$25 million innovation fund to promote capacity building and overcome barriers to local companies meeting the standards of certification in production forests outside critical forest conservation areas.
- Elaborate a framework and a collaborative process for developing management plans in critical transboundary protected areas.
- Conduct baseline assessments of the protected area systems in the six Congo Basin countries and propose additional areas, as necessary, to ensure adequate representation.
- Help analyze the extent, socioeconomic impact, and underlying causes of illegal logging in the region and integrate this analysis into the development of World Bank Country Assistance Strategies and other prioritization processes of government.
- Collaborate with selected private sector firms (e.g. CIB in Republic of the Congo, Leroy in Gabon, IFB in Central African Republic, SIBAF in Cameroon) to improve forest management practices at the field level.
- Establish an operational forest producer group in the region consisting of large exporters (as mentioned above) and smaller players; build linkages to wholesale and retail outlets in Western Europe.

East Asia/Pacific

The primary emphasis of the Alliance in the region will be on addressing the linkages between trade in forest products and the realities at the field level with the idea that trade, particularly into a discerning market in North America and increasingly in Japan and Hong Kong, can be a powerful force for improving forest sector management. In addition, the Alliance will focus its attention on conservation



WWF-Cannon/Hartmut Jungius

Siberia. There are significant opportunities to promote forest certification in Eastern Europe and Russia.

of the rich forested area of Melanesia, with a particular focus on Papua New Guinea (PNG), and the People's Republic of China.

Objectives

1. Help consolidate up to 15 million hectares under protected areas and sustainably managed forests in communally owned land in PNG.
2. Increase the supply of forest products originating from sustainably managed forests to Pacific Rim markets.
3. Assist with improving the representativeness and effective management of protected area systems, with a particular emphasis on China.

Illustrative Activities

- Raise up to \$10 million for the Mama Graun Conservation Trust Fund to support the conservation and sustainable management of communally owned forests in PNG.
- Help strengthen national programs on forest law enforcement to assist in delivering on the commitments made in the September 2001 FLEG meeting in Bali.
- Help build institutional awareness of the linkages between Foreign Direct Investment in the forest products industry and environmental degradation and establish principles for investment screening.
- Help build institutional capacity in Indonesia to enable government at the local level to manage resources in a more transparent and sustainable fashion.
- Pilot and scale-up preliminary efforts to certify community managed forests and link the products from these forests to environmentally discriminating markets.

- Help to build political commitment for the New Guinea Forest Summit, an ambitious effort to align policies, institutions, and financing behind conservation and sustainable management of communally owned forests in PNG and the Indonesian province of West Papua.
- Support the efforts of the government in China to enhance the scope of representativeness of its protected area system.
- Help initiate a regional program to develop national forest management standards for certification through multistakeholder processes.

Europe/Central Asia

The work of the Alliance in Europe/Central Asia is broadly distributed with three main focal areas—the Caucasus, the Carpathian Mountains, and Eastern Europe and Russia. Within these three areas lie a suite of objectives and activities that cut across all three of the Alliance's targets. The main emphasis of work in the Carpathians and the Caucasus is on conservation planning and protected area management while there are significant opportunities to promote forest certification in Eastern Europe and Russia.

Objectives

1. Bring 30 million hectares under certified forest management in Eastern Europe and Russia.
2. Establish approximately 10 million hectares of new protected areas in the region.
3. Dramatically improve the governance of the forest sector including efforts to strengthen conservation planning processes.

Illustrative Activities

- Establish a \$30 million forest innovation fund to accelerate progress toward the wide-scale adoption of certification in the forests of Eastern Europe.
- Initiate conservation planning processes designed to establish new protected areas in the Carpathian Mountains (Romania and Bulgaria) and in the Caucasus (Armenia, Azerbaijan, Georgia, Russia, and Turkey) region.
- Establish a baseline of management and generate resources for the long-term management of established protected areas in Georgia, Mongolia, and the Russian Federation, including the Adygei, Altai, Bashkortostan, Kamchatka, Khabarovsk, Komi, Sakha, and Taimyr regions.
- Work with financial institutions and cooperate with the private sector across the region to ensure that the efforts to boost the production of timber, pulp, and paper are consistent with complementary objectives of sound forest stewardship, specifically in High Conservation Value Forest areas.
- Undertake preliminary efforts to certify large areas of northwestern Russia, specifically Archangelsk, Komi, Pskov, Perm, and Volgoda, building on the success of the two WWF model forest projects.
- Work with small holders and groups seeking certification through training, technical assistance, market linkages, and links to a grant/loan facility to finance chain of custody certification.

Latin America

The main area of emphasis for the Alliance will be the Amazon Forests, with particular attention devoted to the High Conservation Value Forest areas in Brazil,

Colombia, and Peru. Across this subregion there will be a mix of activities focusing on creating new protected areas, improving management of those areas already established with assistance from the Alliance, and building support for sustainable management of production forests.

Objectives

1. Maintain an active catalytic role in the development of the Brazilian ARPA project.
2. Develop comprehensive protected area and sustainable forest management plans throughout the greater Amazon region (Brazil, Colombia, and Peru).

Illustrative Activities

- Raise an additional \$140 million by 2005 to provide a firm financial foundation for the later phases of the 10-year, \$400 million ARPA initiative.
- Continue to play the catalytic role within the context of the Brazilian ARPA project to help create 10 million hectares of new protected area and improve management effectiveness in 6.7 million hectares of existing protected areas by 2005.
- Launch an initiative to ensure the financial sustainability of the protected area system in Colombia with an emphasis on the Choco Region and the Andes and Amazon subregions.
- Consolidate the new protected area in the Biabo-Cordillera Azul region of Peru.
- Support efforts of the Peruvian government to put 25 percent of the current national forest estate (approximately 17 million hectares) under permanent and certified forest production.

- Support Peruvian efforts to establish a sound legal framework for sustainable forest management including the transparent letting and oversight of productive concessions.
- Advance forest certification in Peru through the establishment of a National Working Group process and support for certification of small holders in the Biabo Forest concession area.
- Support the anticipated certification of a pilot project of 60,000 hectares of production forest by the Smurfit Corporation and seek to expand upon this effort throughout Colombia.
- Promote the establishment of sustainable forest commerce in the greater Amazon and Mesoamerican subregions.

South Asia

The primary geographic area of emphasis for the Alliance in South Asia is the Terai Arc, straddling the border of India and Nepal. This is a biologically rich area that includes valuable habitat for Asian tigers, rhinos, and elephants and supports the livelihood of millions of people. A second area of emphasis is the northeastern Indian state of Arunachal Pradesh. These regions all fit within the comprehensive Eastern Himalayas ecoregional planning process of WWF and its partners.

Objectives

1. Creation of a 5 million hectare landscape-level conservation initiative with protected areas and linking corridors in the Terai Arc.
2. Promotion of policy tools and marketing incentives to support joint forest management in key forested states of India.

Illustrative Activities

- Support a comprehensive data collection and consultative process within the relevant states/provinces of India and Nepal to build awareness and support for landscape-level conservation planning and management efforts in the Terai Arc.
- Undertake conservation planning efforts to assist the state of Arunachal Pradesh in designating 30 percent of its forest area to protection.
- Utilize performance indicators to assess the impact of the Indian Joint Forest Management program and use the results to shape discussion on the role of community forest management in national resource planning and management processes.
- Undertake baseline analysis and launch start-up activities to advance the certification of community forest management practices focused on timber and nontimber forest products.

SHAPING ATTITUDES AND AGENDAS

The learning and capacity building (LCB) component of the Alliance's work is designed to service the regional programs by improving understanding and building the institutional capacity of partner agencies. This work is of critical importance given the limited institutional capacity of the conservation and resource management sectors in many Bank client countries. Building such institutional capacity is a prerequisite to delivering on the global targets.

Protected Areas

Protected Area Management Effectiveness. The Alliance has made significant contributions since 1998 in developing tools to measure management effectiveness. The Alliance will seek to capitalize on the global interest in protected area management effectiveness by designing and implementing training programs in key forested regions and by facilitating the assessment of protected area systems and individual sites within these countries. The primary objective of this work will be to increase understanding of the relevance of the WCPA management framework and the importance of taking intermittent assessments to guide decision making and chart progress.

Financial Mechanisms. One of the primary impediments to sound protected area management effectiveness is the lack of financial resources. Those governments with a deep commitment to biodiversity conservation are under significant pressures to create well-paying jobs and a steady stream of benefits to those who derive their livelihood from the forest. In other countries, the lack of a market for environmental services provides a convenient excuse for governments not to take conservation efforts seriously. In key forested countries and ecoregions, the Alliance will work with governments and other stakeholders to assess the relevance of different financial mechanisms in specific countries and to work in collaboration with partners to help create appropriate mechanisms.



Tony Rath/WWF

Mexico. Learning and capacity building initiatives not only build institutional capacity but can also have a ripple effect reaching broader audiences.

Sustainable Forest Management

Forest Governance. The Alliance is currently testing the Pyramid diagnostic and planning tool. This tool, once complete, will help national governments, aid agencies, and concerned stakeholders to understand the complexities of the forest sector and to prioritize interventions. In key forested countries the Alliance will promote the application of the Pyramid as a means to bring a more systematic and integrated approach to forest sector reform processes and good forest governance. Such efforts will be coordinated or undertaken with partners involved in the development and implementation of national forest programs, e.g. Program on Forests (PROFOR), Food and Agriculture Organization (FAO).



Illegal Logging. Building on work in East Asia/Pacific, the Alliance will continue to support efforts to assess the extent and dynamics of illegal logging in key forested countries including those in the Congo Basin, the Southwestern Amazon, and the Russian Far East. Such assessment and analysis, combined with practical recommendations, may help to generate the political will, international support, and institutional mechanisms necessary to address these destructive practices and the associated governance issues.

National Working Groups (NWG) and Standard Setting for Certification. Throughout the world many NWG processes are at a crossroads and in need of support in the development of their national forest management standards. The Alliance has produced a series of toolkits containing best practice notes, lessons learned sections, case studies on the experiences around the world, and practical decision-making tools. Use of the toolkits can help national initiatives avoid the mistakes made by others while advancing quickly to the production of a national standard. The Alliance will support training and the application of the toolkits in key forested countries. The Alliance has also developed a series of tools designed to raise awareness of the certification process and provide guidance on the practicalities of certification. Training materials have been specifically developed for policy makers and stakeholders to create necessary awareness and understanding on the potential role of certification, for auditors of forest management performance (internal/external), and for private owners/private owner organizations interested in setting up group certification schemes. In key forested countries with the greatest potential to bring certified products to market, the Alliance will support training programs and in some instances provide limited technical support.

The long-term approach to building institutional capacity is to have progressive technical methodologies and pedagogical practices fully incorporated into local training and research bodies. Institutions such as CATIE (Centro Agronómico Tropical de Investigación y Enseñanza), RECOFTC (Regional Community Forestry Training Center), and IIFM (Indian Institute for Forest Management) are but three examples of such organizations. The Alliance will seek to strengthen relationships with these institutions in an effort to advance research and integrate new tools and methodologies into the curriculum of formal and informal training programs. These institutions can then play an even stronger role in influencing forest policy and management practices in the future.

The types of LCB initiatives outlined are critically important to the success of the Alliance. Not only do they build the institutional capacities of participating partners but they can also have a ripple effect reaching broader audiences through an active and targeted communications and advocacy strategy.

COMMUNICATIONS STRATEGY

An effective outreach and communications effort is of critical importance if the Alliance is to catalyze the efforts of partners in pursuit of its protected areas and sustainable forest management targets. The LCB component of the Alliance's work with a range of partners and stakeholders also depends on effective knowledge sharing. Moreover, the Alliance's efforts to integrate more fully into the broader missions of WWF and the World Bank depends on an improved flow of information within and between the partner organizations. The ultimate success of the Alliance is contingent on improving communications in

order to achieve these goals. Consequently, an important element of this Business Plan is to strengthen and more strategically employ our communications efforts.

The tactics employed to support the goals of effective communications fall into two categories: external and internal communications.

External Communications

To effectively communicate the scope and detail of Alliance work to current and potential partners—policy makers, financial partners, forest managers, NGOs, academics, and industry—a range of tools are being utilized.

- Print publications are being produced in various languages and strategically deployed to reach different audiences and stakeholders. These include
 - Alliance Annual Report,
 - Alliance brochure,
 - Technical papers on Alliance research and LCB tools, and
 - Issue briefs and briefs on individual Alliance projects and case studies.
- A Web site has been launched to provide visitors with basic information on the mission of the Alliance and the range of its activities. This Web site will be augmented progressively with materials useful to the full range of Alliance stakeholders. Print publications are being evaluated for use as electronic publications on the Web site, and the quarterly Alliance bulletin is being updated as a Web site feature.

- A new partnership with the IUCN/WWF *Arborvitae* newsletter will yield Alliance-focused features in both the electronic and print editions.
- Media outreach is a key element of the Alliance's external communications. All field-level projects will incorporate communications strategies to help disseminate lessons learned, including a clear plan for disseminating results, producing publications, and providing to Alliance communications staff material that can be turned into project briefs. Assistance will be offered to field managers who require communications expertise in designing these strategies. Building these elements into projects in the proposal stage will help facilitate the new emphasis on sharing experiences through extended outreach.
- Participation in events that will raise the visibility of the Alliance and its work will be strategically planned. These include
 - Press events accompanying Alliance activities to raise the profile of the Alliance and portray it as one of the most relevant, competent, and active engines for forest conservation;
 - Active participation at international forums (e.g. UNFF, World Park's Congress, Forest Law Enforcement and Governance (FLEG) meetings, etc.); and
 - Presentation and participation in relevant trade fairs and conferences.

Internal Communications

In addition to the important external audiences targeted by Alliance communications efforts, internal audiences must also be reached if the Alliance goals are to be achieved.

Stronger buy-in from leaders inside WWF and the Bank will result in better support for the Alliance. More effective exchange of information between the Alliance management team and managers of field programs will result in more efficient use of Alliance resources.

Internal communications efforts include

- Development of an electronic Alliance reporting system, built on the platform of the new Web site, which will aid in tracking progress toward targets, make it easier for field managers to submit reports and updates, and facilitate feedback from Alliance management to the field.
- A quarterly review of regional programs with results and policy adaptations communicated to managers in the field. Of particular significance will be an increased effort on sharing the results of activities across regions.
- Regular CEO meetings between Claude Martin (WWF-International), Kathryn Fuller (WWF-US), and James Wolfensohn (World Bank), meant to increase WWF and Bank support for the Alliance at the highest levels.

MONITORING AND EVALUATION

Alliance progress toward the achievement of its targets is measured through the combined efforts of the World Bank and WWF. In the vast majority of cases, the work that the two organizations undertake independently, at the field level, will represent the quantitative contributions to the targets. The joint operations, undertaken at the strategic level, will be measured in qualitative terms. It is these strategic level interventions—improving understanding of the forest sector and its actors, facilitating dialogue



around important topics, and advancing regional/national planning and prioritization processes—which represent the value added by the partnership. Monitoring the quantitative and qualitative efforts of the Alliance⁶ over the next three years will proceed as described below.

New Protected Areas

A baseline of protected areas in Bank client countries, beginning with the period July 1997, has been established. Contributions of the Bank and WWF to expand the coverage of protected areas will be tracked on a regular basis through a combination of official reporting processes on new protected areas (established by national governments with the support of the GEF and credit portfolios of the Bank and the WWF Gifts to the Earth program), the records of the World Conservation Monitoring Centre (WCMC), and verification operations by Bank and WWF staff.

Improved Management of Protected Areas

The Alliance has been instrumental in putting the topic of protected area management effectiveness on the conservation agenda through its analytical work and its support of the World Commission on Protected Areas Management Effectiveness Framework.⁷ The message from the Alliance is threefold: 1) Improving protected area management effectiveness is critical to bringing about conservation successes; 2) The WCPA framework best captures the component elements of protected area management effectiveness; and 3) It is important to use an appropriate

⁶ It is recognized that virtually every conservation achievement is the result of the efforts of many players. The Alliance will only report on efforts in which it can be logically assumed that the Alliance partners made a significant contribution to the achievement.

⁷ Hockings, Stolton, and Dudley, 2000, *Evaluating Effectiveness: A framework for assessing management of protected areas*, IUCN in association with Cardiff University, Gland, Switzerland and Cardiff, UK.

tool in tracking progress. The management effectiveness tracking tool and other WCPA-compatible tools will be used to assess the status of those protected areas in the portfolios of the partner organizations.

Forest Certification

The Alliance has identified 11 criteria that certification schemes must meet to ensure consistency with its objectives of forest conservation and sustainable use. It is currently in the process of elaborating on these 11 criteria and developing an analytical framework that guides decisions on which schemes and systems to include when scoring progress against the target. The WWF-inspired “modular implementation and verification” methodology, a stepwise approach to certification, will also be used to track progress toward the target. The Alliance will continue efforts to encourage certification of industrial forests while also promoting the certification of community managed forest lands. The contributions of the Alliance partners toward the granting of each certificate will be made on a case-by-case basis.

Forest Governance

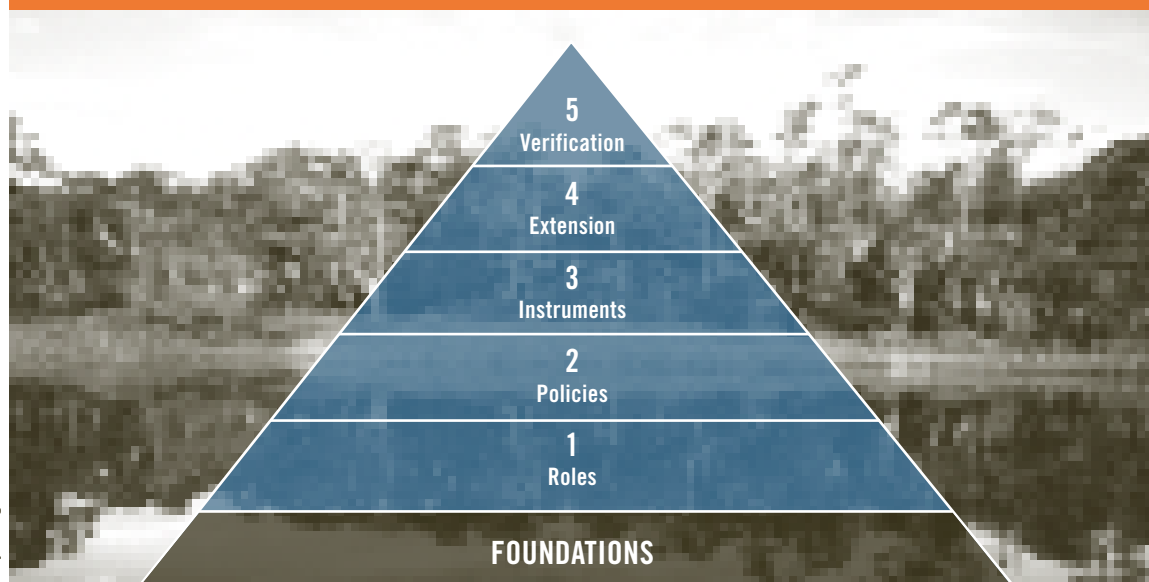
In addition to information on progress with formal certification, there is a growing need to capture—in both a quantitative and qualitative way—the contributions of the partners to improved forest governance and management. The Alliance has developed with the International Institute for Environment and Development (IIED) “The Pyramid: A Diagnostic and Planning Tool for Good Forest Governance,” to both guide interventions and capture progress. The Pyramid defines five tiers or components of forest governance and management. These tiers rest upon the foundations that are requisite elements of good forest governance less directly controlled by forest stakeholders—land rights, constitutional guarantees, market and

investment conditions, and mechanisms for extra-sectoral engagement. Potential Alliance contributions to these tiers are as follows:

1. **Roles:** Activities that help generate information on forest assets, demands, and uses; expose systemic flaws; and offer guidance on strengthening of the institutional relationships and management responsibilities of the various actors involved in the sector.
2. **Policies:** Activities that contribute to the designation of the forest estate, optimizing (forest resource) benefits, strengthening the policy process, and defining the national forest management standards.
3. **Instruments:** Initiatives that contribute to building knowledge of the range of regulatory, market, informational, and contractual instruments necessary for properly managing the forest estate.
4. **Extension:** Activities that focus on promoting SFM principles and practices to a range of stakeholders including forest producers, consumers, and authorities.
5. **Verification:** Efforts aimed at ensuring that local schemes for certification are embedded in international systems that bring legitimacy and market benefits.

The Alliance will use this organizational framework for qualitative reporting on its contributions to establishing and improving the enabling environment.

ELEMENTS AND STEPS OF GOOD FOREST GOVERNANCE THE PYRAMID DIAGNOSTIC AND PLANNING TOOL



CONCLUSION

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Over the last four years, the Alliance has challenged the world to take urgent action to improve the conservation and management of its forests. The Alliance has demonstrated that organizations with radically different backgrounds and cultures can work together to meet globally significant conservation and development goals. After decades of ongoing loss and degradation of the world's forests, the Alliance has shown that tangible progress is possible and that more can be achieved by working together than working alone.

Despite these significant achievements, there is still much that needs to be done. The new protected area target will be reached well before 2005. However, there are still significant gaps in the global coverage of forested protected areas. The challenge of improving forest management in both protected areas and production forests remains. The Alliance looks forward to deepening and extending its partnerships to accelerate improvements in forest conservation and management outcomes for both present and future generations.

Bruce Blunting/WWF



Bhutan. By refocusing on key forested countries, extending partnerships, and integrating further with WWF and the World Bank, the Alliance hopes to amplify its impact around the world.

	CORE OPERATIONS BUDGET	2003 (\$ thousands)	2004 (\$ thousands)	2005 (\$ thousands)	TOTAL (\$ thousands)	% (rounded)
I.	TECHNICAL SUPERVISION & COORDINATION					
	Staff	400.0	420.0	441.0	1,261.0	
	Travel	75.0	78.8	82.7	236.4	
	Meetings	10.8	11.3	11.9	34.1	
	Subtotal	485.8	510.1	535.6	1,531.5	15%
II.	LEARNING/CAPACITY BUILDING & COMMUNICATIONS					
	Training	125.0	131.3	137.8	394.1	
	Outreach/Dissemination	50.0	52.5	55.1	157.6	
	Communications	100.0	105.0	110.3	315.3	
	Monitoring & Evaluation	50.0	52.5	55.1	157.6	
	Subtotal	325.0	341.3	358.3	1,024.6	10%
III.	REGIONAL PROGRAMS					
	Africa	450.0	472.5	496.1	1,418.6	
	East Asia/Pacific	450.0	472.5	496.1	1,418.6	
	Europe/Central Asia	450.0	472.5	496.1	1,418.6	
	Latin America/Caribbean	450.0	472.5	496.1	1,418.6	
	South Asia	325.0	341.2	358.4	1,024.6	
	Subtotal	2,125.0	2,231.2	2,342.8	6,699.0	67%
IV.	ADMINISTRATIVE/INDIRECT COSTS	237.5	248.1	259.3	744.9	7%
	TOTALS	3,173.3	3,330.7	3,496.0	10,000.0	100%

ABBREVIATIONS AND ACRONYMS

ARPA	Amazon Region Protected Areas	HCVF	High Conservation Value Forests	PROFOR	Program on Forests
CAS	Country Assistance Strategy	IIED	International Institute for Environment and Development	PRSP	Poverty Reduction Strategy Paper
CATIE	Centro Agronómico Tropical de Investigación y Enseñanza	IIFM	Indian Institute for Forest Management	RAPM	Rapid Assessment and Prioritization Methodology
ESW	Economic and Sector Work	LCB	Learning and Capacity Building	RECOFTC	Regional Community Forestry Training Center
FAO	Food and Agriculture Organization	MOU	Memorandum of Understanding	SFM	Sustainable Forest Management
FLEG	Forest Law Enforcement and Governance	NGO	Nongovernmental Organization	WCMC	World Conservation Monitoring Centre
FSC	Forest Stewardship Council	NWG	National Working Group	WCPA	World Commission on Protected Areas
FTN	Forest and Trade Network	PEFC	Pan European Forest Certification Council	WSSD	World Summit on Sustainable Development
GEF	Global Environment Facility	PNG	Papua New Guinea		



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