





ABOUT THE INSPECTION PANEL AND ITS MANDATE ON ADVISORY SERVICES

The World Bank's Board of Executive Directors ("the Board") established the Inspection Panel ("the Panel") in 1993 as an independent complaint mechanism for people and communities who believe they have been—or likely will be—adversely affected by a World Bank-funded project.

Under its mandate, the Panel provides advisory services in the form of lessons from its cases. These lessons endeavor to increase institutional learning at the World Bank and throughout the larger development community to enhance the application of social and environmental policies and standards for the overall sustainability and effectiveness of operations. The case studies and insights presented herein may also interest civil society organizations, non-governmental organizations, and academia.

This report on Land Administration and Management is Volume 2 of the Panel's eighth advisory publication, titled "Land at the Center of Inclusive and Sustainable Development," which follows reports on Involuntary Resettlement, Indigenous Peoples, Environmental Assessment, Consultation, Participation, and Information Disclosure, Biodiversity Offsets, Gender-based Violence, and Intimidation and Reprisals.

INTRODUCTION

Over the past three decades, the World Bank Inspection Panel (the "Inspection Panel" or "Panel") has received 163 Requests for Inspection from complainants, of which it conducted 40 investigations to date. Some landrelated topics have been covered in the Panel's earlier advisory reports, notably those on involuntary resettlement, indigenous peoples, and intimidation and reprisals. However, the Panel's cases have raised issues relating to land that were not examined in these earlier Panel advisories. The cases presented below provide useful insights, illustrate the interdisciplinary nature and the complexity of land-related development projects, and highlight the extra care that must be paid to the broader environmental and social risks.

The 2006 World Bank Sustainable Land Management Sourcebook² defines Sustainable Land Management as "[...] a knowledge-based procedure that helps integrate land, water,

biodiversity, and environmental management (including input and output externalities) to meet rising food and fiber demands while sustaining ecosystem services and livelihoods." Based on this definition, sustainable land and natural resource management requires the social and environmental characteristics of land to be considered and introduced into project design and implementation in an integrated manner. The techniques for assessing the value of terrestrial ecosystems have evolved over time, and it has become increasingly apparent that assessing potential environmental impacts of projects on land must embrace the wider uses/value that land may have for local communities. In particular, under the Bank Environmental and Social Framework (ESF), which applies to Projects approved from October 2018 onwards, a formal ecosystem service assessment of a natural asset like land typically includes³ provisioning services—i.e., the products people

obtain from the asset, such as food, freshwater, timber, fibers, and medicinal plants.

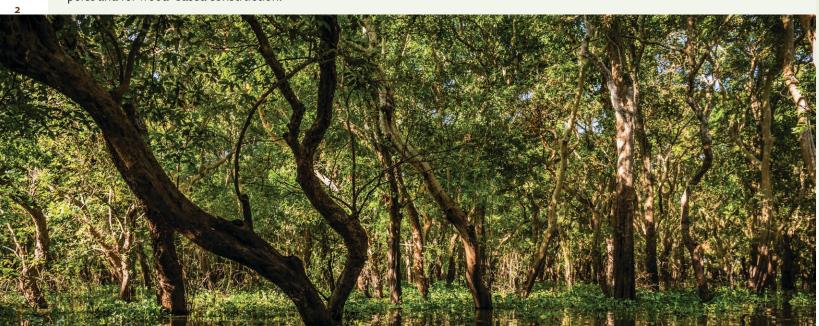
This report focuses on Resource Property Rights in Forested Areas and discusses relevant aspects of Panel investigations—the Cambodia Forest Concession Management Project (2006), the Democratic Republic of Congo: Transitional Support for Economic Recovery Credit and Emergency Economic and Social Reunification Support Project (2007), and the Papua New Guinea Smallholder Agriculture Development Project (2011)—which illustrate the need to assess adequately both the community forest property rights and the value of associated provisioning ecosystem services. It is noted that these three case studies were investigated between 2006 and 2011 and therefore the requirements of the Bank ESF did not apply at the time these projects were implemented.

CASE STUDY 1: CAMBODIA FOREST CONCESSION MANAGEMENT (2006)

The Project aimed to help build foundations for sustainable development and poverty reduction. It sought to assist Government efforts to improve the effectiveness of forest sector regulation, rather than to promote the existing concession system. At the time of the Project, many rural communities depended on the forests in several different ways: by harvesting fruits, nuts, and mushrooms; by collecting fuel wood, resins, gums, and medicines from wild plants; by hunting wildlife for food, and by harvesting wood for artisanal use as poles and for wood-based construction.

The Complaint asserted that a failure to recognize the forests in the concessions as natural habitats gave rise to a poorly conceived Project. The complainants alleged that the Bank allowed the Project to produce outcomes that increased the likelihood of severe and imminent damage to natural habitats, and that the concessionaires' activities were a "direct threat" to the people whose livelihoods depend on tapping resin from trees in the concession areas.

The Panel Investigation found that throughout its planning phase, the Project focused on concessions, to the detriment of important project essentials. The Bank lost an opportunity to lead the debate on much-needed reform of the forest sector to ensure sustainable forest management that would benefit all Cambodians. By focusing narrowly on concessions, the Project ignored the potential of forests to reduce poverty by, for example, considering the value of Non-Timber Forest Products (NTFPs) such as tree resins.



CASE STUDY 2: DEMOCRATIC REPUBLIC OF CONGO (DRC): EMERGENCY ECONOMIC AND SOCIAL REUNIFICATION SUPPORT PROJECT

- The Project supported economic reforms, financed rehabilitations works, and provided policy advice in several sectors. This included a forest component, intended to support the extension of a moratorium on issuing new logging concessions, and to initiate a legal review of existing concessions.
- The Complaint noted that the complainants feared the design and implementation of a new, commercial, forest concession system might irreversibly harm the forests in which they lived and on which they depended for their subsistence. They also contended that these developments were taking place without informing or consulting them, or providing them an opportunity to participate in the decision making.
- The Panel Investigation learned that logging concessions covered vast stretches of forest, including many areas home to the Pygmy peoples. However, when the Project was approved, the project documents presented to the Board failed to identify the Pygmy peoples in the forest. To investigate the uses of the forest, the Panel drew on research of the Mbuti Pygmy people in the Ituri forest province of northeastern DRC. This research revealed how heavily the Mbuti depend on forest plants for their survival. The plants are used for food; while almost 60–70 percent of their diet comprised cassava, plantain, and other agricultural crops, they ate more than 100 of the approximately 750 species collected in the Ituri Forest. They harvest nuts with high lipid content for sauces in pot-au-feu style cooking, which is

widely used in central Africa and often sold at local markets. They frequently ate fruit. The Pygmies also used parts of trees for medicinal purposes. They gathered honey from the forest and hunted bushmeat (wildlife). However, aggressive, commercial wildlife extraction from the forests dwarfed the traditional hunting and gathering done by Pygmy people for their own consumption. An estimated two-thirds of the bushmeat consumed in Kinshasa came smoked from forest provinces of Orientale, Equateur, and Bandundu.⁵

In its investigation, the Panel observed that the economic value of timber production was only a small part of the total economic value produced from the forest. The market value of formal and informal timber production—the focus of the Project—was estimated at US\$160 million per annum, whereas the total economic value of the resources used by local people—such as firewood, bushmeat, forest fruit, honey, plant medicines, and other NTFPs—was thought to be more than US\$2 billion per annum. 6

The Panel also found that many important socioeconomic and environmental issues of forest use had been inadequately considered and that, without strong measures to ensure forest benefits reached the local people, the concession system focus on timber harvesting would not make the expected reductions in local poverty. The Panel noted that if access to NTFPs were considerably restricted because of timber operations, there would be no way to compensate local residents for loss.⁷

CASE STUDY 3: PAPUA NEW GUINEA SMALLHOLDER AGRICULTURE DEVELOPMENT PROJECT (2011)

- The Project sought to increase the income and improve the livelihoods of smallholders involved in oil palm production. The Project included a capacity development component for the Oil Palm Industry Corporation (OPIC).
- The Complaint explained that the forests "provide economic and social services for local communities including household gardens." The complainants believed deforestation would occur because "OPIC officers lack the capacity to classify forests" correctly according to the site survey criteria, and because an incentive system evaluated them by how much oil palm was planted.
- The Panel Investigation noted that the Project attempted to enable smallholders to plant additional oil palm through "infilling" (i.e., putting new blocks of oil palm between

established blocks and along existing access roads in the Nucleus Estate and Smallholder Schemes areas), rehabilitating and maintaining rural access roads, improving local service provision and infrastructure through a local governance and community-participation component, and giving institutional support to project management. The social assessment associated with the Project acknowledged that "Food gardening is a primary focus in the lives of smallholders, particularly for women, and most smallholder households remain heavily dependent on subsistence food production for their daily needs." Most smallholders grew enough to meet most of their food requirements, and garden food production for sale at local markets gave women an important source of income. Gardens also provided greater food security and an important buffer against oil palm price fluctuation.





Village in Papua New Guinea

The Project Beneficiaries Assessment concluded that the Project-affected ethnic groups were "relatively homogenous." All the smallholders the Panel team met during its field visit verified their ownership of gardens, although some were apparently quite far from their residences and required several hours to reach. The Panel also confirmed that for many smallholders, especially women, the garden was their main occupation and source of food and income, with income from oil palm seen as supplementary. Throughout the Orokaiva region, a primary focus of community life was the cultivation of taro, a root crop grown in swidden gardens and that held great social, ritual, and spiritual significance. Along with pigs and other garden produce, taro was also a major commodity of exchange. The fact that people grew their own food (and

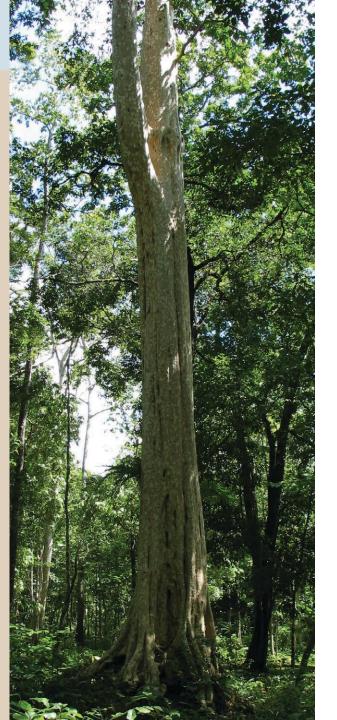
used their own forest material to build their houses) gave them remarkable independence from the cash economy, which many households moved into and out of over time.

The Panel reviewed the Social and Beneficiaries
Assessments in detail, as key resources of the Project's
consultation process. It found the analysis of the legal and
institutional frameworks of customary law, leadership,
decision-making, and dispute-resolution processes, and
the gathering of baseline information on indigenous
communities to be inadequate, which may have affected
the Project's consultation processes. In addition, the Panel
believed a better understanding of the extent to which
different communities relied on alternative sources of
livelihood would have been helpful and appropriate.

Forest in Papua New Guinea

INSIGHTS

In all three of these forest-related cases, the communities used the forest to augment their livelihoods in ways that were poorly appreciated during the Project's initial planning/environmental assessment stage. As a result, the resource property rights of communities were inadequately considered and some of the provisioning value provided to the communities by the forest ecosystem was lost as the Project was implemented. The Bank's response to the Panel's investigation report on the Cambodia Forest Concession Management Project included the lessons that "[i]n projects that address Natural Resource Management (NRM) issues, it is important to map stakeholders' varying and, at times, conflicting interests and engage them early and throughout implementation" and that "[t]he Bank should play a proactive role in encouraging early and sustained involvement of local communities in project design and implementation."



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ENDNOTES

- 1 This report found that 50 Panel cases had allegations of reprisals, of which 86 percent (43 cases) related to land concerns. See p. 24.
- 2 The World Bank, <u>Sustainable Land Management Sourcebook</u>, 2008.
- 3 The World Bank, <u>The World Bank Environmental and Social Framework</u>, 2017, p. 19.
- 4 Terashima, H. and M. Ichikawa, A Comparative Ethnobotany of the Mbuti and Efe Huntergatherers in the Ituri Forest of DRC, African Study Monographs 24 (1-2), 2003, pp. 1-168.
- 5 The Inspection Panel, The Inspection Panel Investigation Report
 Democratic Republic of Congo: Transitional Support for Economic
 Recovery Grant (TSERO) (IDA Grant No. H 1920-DRC) and Emergency
 Economic and Social Reunification Support Project (EESRSP) (Credit
 No.3824-DRC and Grant No. H 064-DRC) (DRC Investigation
 Report), August 31, 2017, p. 21, paras. 97 and 98.
- 6 Ibid., p. 73, para. 303.
- 7 Refer to the DRC Book the World Bank prepared with the complainants years later.
- 8 An area of land cleared for cultivation by slashing and burning vegetation.

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