

Notes on the First Meeting of the External Advisory Group (EAG) on Implementation of the World Bank Forest Strategy

This documentation was prepared by the members of the EAG

Sept. 29-30, 2003
Washington DC

Present:

Mr. Yati Bun
Ms. Angela Cropper
Mr. Hosny El-Lakany
Dr. David Kaimowitz,
Mr. Stewart Maginnis
Mr. Arvind Khare

Background

The External Advisory Group (EAG) is viewed as an attempt at transparency, as the World Bank moves to work on more complex issues. In the next twenty years the Bank will be working on high risk areas where avoidance is easier but not an option. The EAG on Implementation of the World Bank Forest Strategy is the first learning exercise where the third party advice is being sought to ensure legitimacy and integrity of Bank operations. The World Bank management is highly supportive of this mechanism. Apart from other things, this support includes sessions with the President of the World Bank, informal meeting with the Board members and an annual report on status of implementation of forest strategy to the Board.

Scope

The primary goal of the EAG is to support/advise on implementation of the new strategy. The main audience is the World Bank. However, given the composition of the group, their constituencies would also play a crucial role in bringing to table the opportunities, the issues and the risks to the Bank operations as perceived in the outside world. While most members recognized the opportunity offered by the constitution of EAG, there were apprehensions regarding high expectations, need to establish early credibility of the group, and need to be seen to be influencing the Bank. It was therefore decided to develop more detailed terms of reference (ToR) for EAG. The Chairperson will work with ESSD anchors to develop a draft ToR that will be circulated to members to arrive at an agreed document.

Process and Modalities

The term of the External Advisory Group will be five years, parallel to the projected period of the new forest strategy. First 6 to 12 months are seen as the pilot phase for the EAG. In advising the Bank and communicating to outside world the EAG will adopt a synthesis approach while preserving the right of members to append dissenting reports if needed. Some concerns were expressed about members' existing relations with the Bank. The Group agreed that since expansion of partnerships is a Bank goal, it is not surprising that almost any potential member of the group will have prior relations with the Bank. It is not viewed as a problem so long as disclosures are clear and individual members refrain from decisions on issues in which their organizations are specifically involved.

In a separate exclusive session (without the presence of any member of the World Bank Group) the members discussed the modalities of group working and took the following decisions:

- Disclosures: it is in Bank's interest to put out EAG advice. EAG would submit a statement after every meeting to the Bank. The Group recognizes and would be sensitive to the confidential nature of certain issues.
- Arvind Khare was asked to chair the group during the pilot phase.
- The Group membership needs to be enlarged to give representation to economies in transition in East Europe, Latin America and Africa (preferably from Sub Saharan Africa or West Africa). Group membership is capped at 10.
- After the pilot phase, a rotational system of membership will be developed whereby a certain portion of members will retire periodically, making way for new members. Similarly the Chairmanship of the Group will also be rotational.
- The Group asked the Chairperson to work closely with Mr. Jim Douglas and Mr. David Cassells to firm up the modalities for efficient functioning of the Group.
- The budget for EAG would need a review to allow for support for Chair's time, estimated at two months per annum and to facilitate at least two meetings of the Group in a year, where members are physically present. On specific issues, during the interim period, consultations will be held through teleconferences.
- The probable period for the next meeting of EAG is end February.

Issues considered by the Group

A major concern of the Group is the disjunct between strategy objectives and appropriate due diligence for dealing with impacts of adjustment lending on forests on one hand; and the institutional arrangements and processes currently applied in the Bank when developing/processing adjustment operations on the other. Specially; (a) prior information, analysis, consultative inputs needed to anticipate and offset potentially damaging impacts not usually available when operations are designed; (b) no monitoring of the outcomes in the impact area built into supervision of operations; (c) no mandated need to design appropriate investment-based follow up when policy/institutional reforms are included in the adjustment operations, to ensure implementation. After a long consideration the Group authorized Mr. David Kaimowitz and Mr. Stewart Maginnis to draft a letter that will express the Group's concern. The letter will be addressed to Mr. Ian Johnson, after it is processed by other members of the Group.

PROFOR is described as a vehicle for upstream preparations to prevent downstream angst. It is thus an important instrument in supporting the implementation of the new forest strategy. It is however not practical for the Group to scrutinize and advise on individual items in PROFOR program. But since it constitutes an important element of the forest sector strategy, it will be useful for the Group to review whether overall implementation of POFOR program is contributing adequately to implementation of the strategy. It would also be important for the Group or individual members to bring proposals of relevance to the attention of POOFOR team.

Communication and Outreach

The Group authorized the Chairperson to issue the letter of concern on adjustment lending to the Bank, on behalf of the Group, after it is vetted by the members. It was agreed to accept the bank's decision to invite at least one forest person each from various regions of Bank operations to the next meeting(s) of EAG. It was also accepted to organize a brown bag lunch meeting with the forest community of bank to listen to their suggestion to the Group and to inform about EAG activities. Any release about the Group will be shared with the Group. Similarly, any release by the Group will be shared with the bank in advance.

The Group commended the Bank for its initiative in setting up the External Advisory Group. It also appreciated the support provided by ESSD team, especially the candor and trust exhibited by them in sharing the information.