

Standing Committee on Finance

Third forum of the Standing Committee on Finance “Enhancing coherence and coordination of forest financing” Concept note for the forum

Date:	8–9 September 2015
Venue:	Durban ICC, South Africa
Attendance:	Up to 200 attendees expected

In 2015, the Standing Committee on Finance (SCF) will hold its third forum, focusing on issues related to finance for forests¹, in the context of actions addressing mitigation and adaptation to climate change.

1. Objectives

a. Main objective:

Enhancing coherence and coordination of forest financing.

b. Specific objectives

- Enhance coherence and coordination in the delivery of financing for forest in terms of sources, mechanisms and instruments in support of the implementation of efforts to reduce emissions from deforestation and forest degradation² (REDD-plus), including the application of the Warsaw REDD-plus framework.
- Advance understanding on how to overcome challenges of finance for REDD-plus in particular, and for other forest and land-related activities in general, from the perspective of mitigation and adaptation.
- Provide a forum for sharing experience and knowledge amongst key financing entities from national and international public and private sectors, national government representatives, community organizations, think-tanks and non-governmental organizations, and other stakeholders working on forests and land-related programs/projects.
- Share country experiences in the context of REDD-plus, inter alia on action in the implementation of results-based finance and of alternative approaches.
- Learn from practice: what works, what does not work in specific countries with regard to coherence and coordination of financing for forests?
 - What are the main financing sources in the area of financing for forests?
 - How are these financing sources being accessed and deployed in practice?
 - What are the challenges and opportunities in improving coherence and coordination of financing for forests?

¹ The UNFCCC Conference of the Parties requested the Standing Committee on Finance to consider, in its work on coherence and coordination, inter alia, the issue of financing for forests, taking into account different policy approaches and to focus its soonest possible forum on issues related to finance for forests, including the implementation of the activities referred to in decision 1/CP.16, paragraph 70, inter alia: (a) Ways and means to transfer payments for results-based actions as referred to in decision 1/CP.18, paragraph 29; (b) The provision of financial resources for alternative approaches (UNFCCC 9/CP.19, paragraph 20).

² (a) Reducing emissions from deforestation; (b) Reducing emissions from forest degradation; (c) Conservation of forest carbon stocks; (d) Sustainable management of forests; (e) Enhancement of forest carbon stocks



- Discuss possible key messages for international and national funding entities, finance communities, and other key relevant stakeholders to enhance coherence and coordination of forest finance, including in relation to implementation of the Warsaw REDD-plus framework.

2. Scope and topics

The forum will delve into the issues of coherence and coordination in the implementation of REDD-plus activities including in relation to the transfer of payments for results-based actions and alternative approaches. The forum will also look at finance for forests in the context of adaptation and mitigation, bringing together aspects inside and outside of climate change action, so as to enhance the overall coherence and coordination of forest finance. To this end, the forum will take stock and assess what finance for forests is already flowing and could be catalyzed, and how climate finance for forests can be increased, including through the utilization of public and private finance and different instruments.

On the first day:

- The forum will provide an overview of the landscape of finance for forests.
- The forum will assess the role of public finance for forests, including the Global Environment Facility and the Green Climate Fund, other multilateral and bilateral financing instruments, in supporting developing countries to implement REDD-plus and other forest-related activities. In this context, coherence and coordination of the various sources of public finance and access modalities for different sources of finance will be discussed.
- The forum will examine the role of private sector finance for forests and for activities that drive deforestation, and how to enhance the enabling environments for sustainable private investments.
- The forum will look into coherence and coordination between different actors and financial institutions that are involved with financing for forests, both national and international, within and outside of the UNFCCC. This will help inform the context of financing by the Global Environment Facility and the Green Climate Fund.

On the second day:

- The scope will narrow down to look at the two mandated areas more closely through case studies and discussions, namely on a) ways and means to transfer payments for results-based actions and b) the provision of financial resources for alternative approaches³.
- In the national context, discussions on incentives required to achieve sustainable investments, which reduce deforestation or forest degradation, promote sustainable management of forests, and/ or conserve / enhance forest carbon stocks will also be included.
- The second day will also highlight case studies related to forest finance addressing both adaptation and mitigation.
- The forum will end with a summary and conclusions.

³ Including joint mitigation and adaptation (JMA).

3. Organization of the forum

- The planned dates and venue: 8–9 September, Durban, South Africa.
- The forum will have a two-day format. It will incorporate both plenary sessions, and breakout group sessions. There will not be parallel presentation sessions, only parallel breakout groups discussing the same topic.
- Facilitators will be chosen to facilitate different sessions and breakout groups. Practitioners will be invited to exchange experiences and case studies, as both presenters and as participants in the breakout group discussions.
- Session briefs will be drafted for each session, laying out the expectations and the guiding questions.

Participation⁴

- The forum will ensure participation by the key stakeholders. In order to ensure good interaction among participants, the Forum will accommodate between 150-200 participants.
- The SCF will try to ensure that practitioners of forest-related activities, and a wide range of finance/investment institutions (including the Global Environment Facility and Green Climate Fund) and technical experts, are present.
- Balanced participation is important, from both developed and developing countries. Holding the meeting in Africa should also assist in ensuring that this region is well represented.

4. Outcome and reporting

- The forum should answer a few key guiding questions. This outcome will then be considered by the SCF.
- An executive summary report of the forum will be produced shortly after the forum, for consideration by the SCF at its 11th meeting, with a view to providing conclusions and, potentially, recommendations to the COP on coherence and coordination on financing for forests as per COP19 mandate. The SCF will communicate these through the annual report of the SCF to COP 21.
- In addition, a more detailed report of the forum will be produced thereafter, summarizing the discussions. This will be a stand-alone SCF document.
- The SCF will continue to work on the topic of coherence and coordination, including in terms of forest finance, after the forum.

⁴ The COP encouraged the SCF to facilitate the participation of the private sector, financial institutions and academia in the forums (see decision 5/CP.18). For the third forum, it encouraged the SCF to continue to engage with all relevant actors working on forests in the preparation of the forum, with a view to ensuring broad participation (see decision 6/CP.20). The COP requested the SCF to invite experts on the implementation of the activities referred to in decision 1/CP.16, paragraph 70 (See decision 9/CP.19). The funds transferred from the REDD+ Partnership to the World Bank (USD 70 000) will go towards this. As many SCF members should participate as possible.