

## Tenth meeting of the Standing Committee on Finance Bonn, Germany, 12–13 June 2015

### Background paper on coherence and coordination: Financing for forests, taking into account different policy approaches

#### Expected actions by the Standing Committee on Finance

The Standing Committee on Finance (SCF) will be invited to:

1. Consider how the current version of the working paper can be revised further and finalized for the forum;
2. Initiate discussions on the SCF approach to handle the outcomes of its work on coherence and coordination for financing for forest, after the conclusion of the forum

#### I. Options for consideration by the Standing Committee on Finance

1. The Standing Committee on Finance (SCF) may wish to consider the current version of the working paper,<sup>1</sup> with the aim of finalizing the paper in time for the forum.<sup>2</sup> In doing so, the SCF may wish to consider (a) whether the content of the latest draft is in line with the outline and objective agreed at the eighth meeting and; (b) decide on the approach to finalize the paper. The table below contains a proposed timeline that the working group agreed inter-sessionally.

#### Proposed timeline to finalize the working paper

Deliverables: the working paper	2015			
	June	July	August	September
The SCF considers the working paper during its 10 <sup>th</sup>	12–13			
Final revisions incorporated and sent to the SCF for	8			
Working paper sent to the editors		15		
Final working paper made public one month ahead of			1	
SCF presents working paper at the forum				8

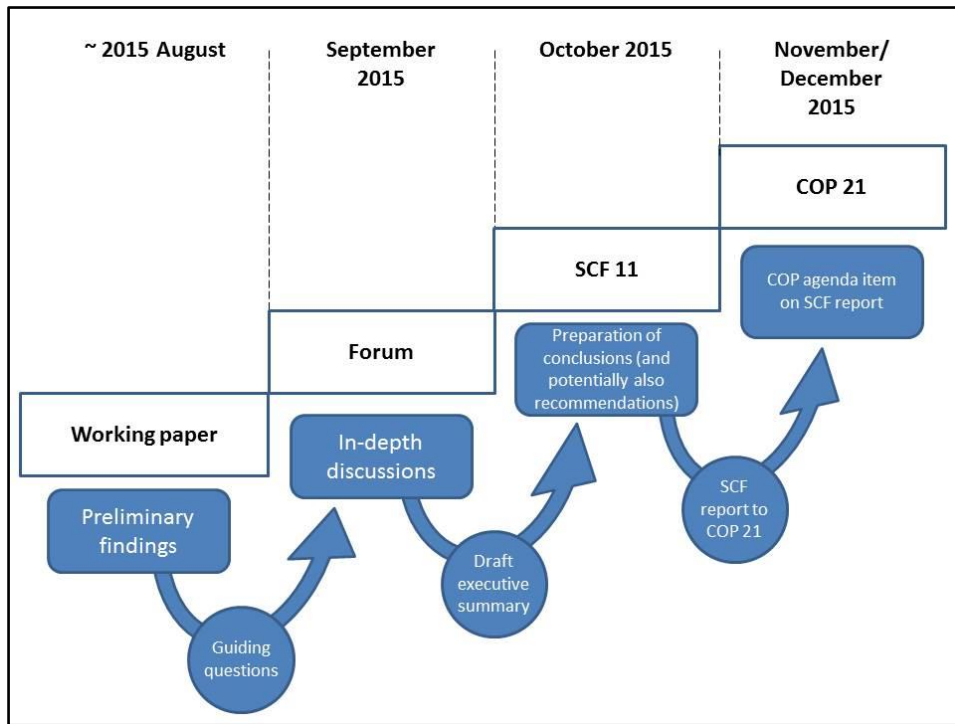
2. The SCF will have about four weeks after its tenth meeting, before the working paper has to be sent to the editors. During this four week window, the working group may wish to invite written comments, and prepare a final draft based on the comments received, for consideration by the SCF.
3. The SCF may also wish to discuss how it will handle the outcomes of its work on coherence and coordination for financing for forests, after the conclusion of the forum. The figure below shows the proposed SCF workflow related to preparing the conclusions and recommendations on coherence and coordination for financing for forests.
4. At this meeting, the SCF may wish to consider the preliminary findings of the working paper with a view to informing the guiding questions for the forum and discussing initially about possible conclusions, recommendations and/or possible avenues of further work by the SCF.

<sup>1</sup> SCF/2015/10/11.

<sup>2</sup> The forum is scheduled to take place from 8–9 September in conjunction with the 14<sup>th</sup> World Forestry Congress. More information about the forum can be found in document SCF/2015/10/7.



**Proposed SCF workflow of preparing the conclusions and recommendations on the issues related to coherence and coordination for financing for forests**



5.

**ANNEX****I. Progress of inter-sessional work**

1. During the inter-sessional period and under the guidance of the co-facilitators, the working group reviewed the working paper, incorporating the inputs received from the SCF members and observers at the ninth meeting. The paper was subsequently shared with all SCF members on 30 April 2015.
2. On 19 May 2015, the SCF working group on forest finance convened a webinar, attended by SCF members, Parties, and observer organizations.<sup>3</sup> Participants exchanged views and information on how the scope and content of the working paper could be best revised.
3. The SCF agreed to continue to reach out to external stakeholders in its work related to financing forests, and use such opportunities to collaborate on any potential substantive linkages and bring back any potential case studies for its work on financing for forests. During the inter-sessional period, the working group engaged with/in, inter alia, the UNESCAP-UNFF Workshop, the Eleventh Session of the United Nations Forum on Forests, the Global Landscapes Forum organized by the CIFOR, and the Voluntary Meeting on the Coordination of Support for the Implementation of Activities referred to in decision 1/CP.16 paragraph 70.<sup>4</sup> The inputs received were taken into account, or will be in the next iteration of the working paper.<sup>5</sup>

**II. Finalizing the working paper**

4. The main elements of the working paper were agreed by the SCF at its eighth meeting, when it agreed that the snapshot of the landscape of financing for forests should be strengthened and could start with a narrative on a wider scope i.e. on financing for sustainable land-use management, and the multifunctional roles of forests, and then elaborate further on financing for REDD-plus related activities.<sup>6</sup>
5. It was also proposed to seek to expand the working paper in the following areas: (a) compile, to the extent possible, further data on public forest finance; (b) compile, to the extent possible, data on investment that may drive deforestation and forest degradation; data on investments that promotes sustainable land use activities such as certified timber and data on unsustainable land-use activities and; (c) map key institutions that provide finance for forests and land-use activities, including the banking system.

**III. Scoping possible ways to handle the outcomes of the work on coherence and coordination for financing for forests**

6. The SCF may find it useful to have an initial discussion at this meeting on its approach to handle the outcomes of its work on coherence and coordination for financing for forests. As the forum will be held in September 2015 and not during the first half of the year, the turnover time between the forum and the eleventh meeting of the SCF will be shorter than expected and the SCF will only have its last meeting in 2015 to consider the outcomes and prepare its report to COP 21. Hence this discussion will help the SCF get ready to effectively review the work on coherence and coordination for financing for forests generally, and the outcomes of the forum more specifically.
7. The draft working paper shows some preliminary technical findings,<sup>7</sup> where coherence and coordination could be further enhanced among the diverse stakeholders in the landscape of financing for forests. These findings include policy aspects of financing for forests in different policy approaches.
8. The draft working paper also shows that the landscape of financing for forests is not only confined to the Financial Mechanism and its OEs under the UNFCCC, but it also involves a vast amount of other stakeholders dealing with financing for forests, outside the Convention and its Financial Mechanism. Hence it may be useful for the SCF to distinguish between :

---

<sup>3</sup> More information about the proceedings of the webinar can be found in document SCF/2015/10/7. Slides used during and the recording of the webinar can be accessed at: <[www.unfccc.int/8985](http://www.unfccc.int/8985)>.

<sup>4</sup> Information about and slides used during these outreach activities can be accessed at: [www.unfccc.int/8985](http://www.unfccc.int/8985).

<sup>5</sup> Inputs from events that are going to take place right before the tenth meeting of the SCF will be incorporated after the meeting.

<sup>6</sup> More information can be found in SCF/2014/8/9, Annex VI.

<sup>7</sup> These preliminary findings will also inform the SCF in defining the guiding questions of the forum, so that they can be discussed upon in a more in-depth manner amongst the various stakeholders attending the forum

- **Improving coherence and coordination among actors that are directly related to the Financial Mechanism and its OEs:** in the overall context of coherence and coordination for financing for forests being discussed under the UNFCCC, the SCF may wish to identify possible actions directly linked to its mandate to assist the COP in exercising its functions with respect to the Financial Mechanism. Possible avenues of further work could include the SCF function of improving coherence and coordination in the delivery of climate finance and related on-going activities, namely:
    - Draft guidance to the OEs;
    - Expert inputs into the preparation and conduct of the periodic reviews of the Financial Mechanism;
    - Biennial assessments and overview of climate finance flows;
    - Maintaining of linkages with the Subsidiary Body for Implementation and the thematic bodies of the Convention.
  - **Improving coherence and coordination among actors that are located beyond the FM:** the SCF may wish to consider how to address activities and actors outside the realm of the UNFCCC discussions on financing for forests, as they play an important role in the overall context of coherence and coordination of financing for forests. For example, the SCF could use its Biennial Assessment and Overview of Climate Finance Flows as a vehicle, to gather information and data related to climate finance for forests.
-