



Letter of Interest and proposed partnership-UNFCCC / CIFOR
Financing Sustainable Landscapes & Forests
May 2015

A joint global symposium co-organized by CIFOR and UNFCCC alongside and integral to the Third Forum of the Standing Committee on Finance

Summary

The Center for International Forestry Research (CIFOR) proposes to partner with the UNFCCC to hold complementary, back-to-back events on financing for sustainable landscapes and forests in the second half of May 2015.

In collaboration with the UNFCCC Standing Committee on Forests (SCF), and multiple partners, CIFOR will convene a one-day evidence-based dialogue on Financing Sustainable Landscapes prior to the third SCF Forum on forests and finance. Participants at the CIFOR event will engage with a diverse range of relevant themes, and then take their thoughts into the Forum.

Given clear synergies between the proposed events in terms of content, objectives and audiences, both organizations will benefit from stronger convening power and greater cost-effectiveness in logistics and communications/outreach. The ultimate benefits will lie in more in-depth and dynamic discussions, more effective outputs, and more potent opportunities for overcoming the pressing challenges associated with mobilizing public and private financing in the forestry and landscape sector.

Background

Despite the widely recognized and documented value of global forests, investment in their sustainable use, conservation and contribution to broader development goals remains low and insufficient to reverse their degradation and conversion to other uses – but not for lack of attention. Forest financing has been a key issue on the political agenda dating back at least to the United Nations Conference on Environment and Development in Rio de Janeiro in 1992 and has been the subject of multiple intergovernmental panels and forums on forests. It has also always been one of the most controversial issues in the UNFCCC negotiations. The emergence of various initiatives surrounding Climate Finance – the Green Climate Fund, adaptation financing, funds from private sources, bilateral official development assistance, and REDD+ – breathed new life into the discussions. Most recently, during Climate Week in New York in September 2014, seven countries pledged a total of more US\$1.3 billion to the Green Climate Fund, a significant portion of which is expected to be allocated to land use and forest projects and programmes in developing countries.

Goodwill and pledges aside, numerous constraints limit the financing of forests and, more broadly, the sustainable landscapes of which they are a part. The most important is that many of the benefits of sustainable forests rarely generate revenue streams for forest owners and managers and so compete – disadvantageously – with other land uses. Therefore, land and forest managers have no incentive to encourage the full range of benefits from forests, and instead continue to focus on production of timber and a few other marketed products. A second constraint is the complexity and



generally higher costs and perceived risks of investing in forests compared with other land uses, including unsustainable forestry practices. These economic constraints are often compounded by policy, legal and institutional constraints such as: ineffectual institutions, a lack of policy coordination across sectors; unresolved land tenure issues; and weak governance, as well as a lack of technical capacity in countries.

It is not all bad news – far from it. The increase in bilateral and domestic funding for research and experimentation surrounding climate finance has engendered hundreds of pilot projects and generated a vast body of knowledge that has informed large and small conferences, private sector gatherings, reforms, legislation and capacity building at every level of society. Agreements on forests have been one of the most successful elements within UNFCCC negotiations.

Furthermore, the development of tools (climate insurance, finance innovations) necessary for unleashing and mobilizing potentially trillions of dollars in private finance for scaling up investments in sustainable and climate-smart landscapes has never been greater.

In recognition of these challenges and opportunities, in 2013, the UNFCCC Conference to the Parties (COP) gave the Standing Committee on Finance (SCF) a new mandate: to focus on issues related to finance for forests. Such issues include:

- coordination and cohesion of finance for forests
- implementation of REDD+ activities
- ways and means to transfer payments for results-based actions
- provision of financial resources for alternative policy approaches.

The Third Forum of the Standing Committee on Finance – Forests and Finance

The SCF has published a background paper on the third SCF forum, which will focus on finance and forests. A paper by SCF containing lessons learned from the second forum will inform organization of the third forum. Considerations include the cost effectiveness of partnering with another event back-to-back, convening power, location (budgets and visa issues), timing, target audience and participants, and themes.

The expected audience for the third SCF forum encompasses financial entities and policy forums beyond the UNFCCC, including the UN Forum on Forests (UNFF), the World Bank (FCPF & FIP), UNEP, The BioCarbon Fund, The Convention on Biological Diversity (CBD), as well as the financial mechanisms under the Convention: the Global Environment Facility (GEF), the Green Climate Fund (GCF) and the Adaptation Fund.

The SCF forum will pay particular attention to private finance, particularly investments in sustainable land use and in agriculture and other drivers of deforestation and forest degradation. At the event, the SCF will seek to map out the structure of the financial institutions involved and the different roles of providers of finance: Who is who in the financing of forests? What role do they play? How are they related to each other?



Global Symposium on Financing Sustainable Landscapes

The forestry and land-use sectors offer immense potential for climate change mitigation and adaptation throughout the pre-2020 period. This potential is widely recognized in multiple forums: in growing bodies of scientific evidence, through the ADP Work Stream 2 Technical Expert Meeting (TEM), prioritized decision-making about results-based payments in the Green Climate Fund, and the work being undertaken by the SCF. However, finding the funding and mobilizing resources continue to be problematic; REDD+ payments made represent a tiny percentage of the amount that has been pledged. Even then, the public sector alone may be unlikely to mobilize the US\$100 billion in annual climate finance that many believe will be necessary by 2020.

Meeting that target will require a transformation in the scale and pace of both public and private sector financing to address both climate change actions and the broader, and more complex, transitions to low-carbon economies and sustainable development. To reach the rural and urban poor (a necessary co-benefit of public expenditure), finance will also need to be packaged and delivered in new ways.

Against this background, CIFOR and its partners propose to convene a global symposium dedicated to unlocking solutions to Financing Sustainable Landscapes back-to-back with, and informing, the third SCF forum. Whereas the content discussed in the third SCF forum is restricted to the mandate given at Warsaw, participants at the Symposium will explore a broader scope of topics, with discussions informing the SCF forum in the subsequent days.

The objective would be to examine opportunities for innovative private financial mechanisms targeting the scaling up of investments in sustainable and low-emission land use, including the prospect of a Global Landscape Fund. This would be done through themes that address, among others, REDD+ expectations and realities, and the potential for the Green Climate Fund to support synergies between adaptation and mitigation.

Target audience

The Symposium is expected to attract a selected audience of 300–500 participants and experts from all key stakeholder groups: policy makers, financial managers and CEOs, academics, leaders of community groups and civil society organizations.

Format

CIFOR's symposium on Financing Sustainable Landscapes will be a one-day event. It will open and closed with high-level plenary sessions (to be webcast globally). During the day, working groups and panels will engage in smaller, closed breakout sessions (under Chatham House rules), designed to generate open dialogue and debate leading to actionable recommendations.

Proposed Partnership with the UNFCCC

There are clear synergies between the content and objectives of third SCF forum and CIFOR's proposed symposium. Given these synergies, and the fact that both events are in the early stages of development, there are clear and significant benefits for the two events to be developed together.

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During the SCF meeting in September 2014, CIFOR sent a formal letter to the UNFCCC Secretariat and the SCF expressing interest in collaborating with the SCF on the 2015 Forum. The UNFCCC Secretariat then distributed the letter among SCF members.

CIFOR now proposes that the UNFCCC and CIFOR enter into a partnership for the organization of these two events, supported by a Memorandum of Understanding.

The CIFOR event would take place the day before the two-day SCF Forum begins. The events will thus be held back-to-back with complementary content, boosting the convening power of both events and creating potential synergies in terms of logistics, audiences and communications. The events will have separate registration processes.

Through this partnership and the close collaboration it entails at the design phase, the two events will be designed to generate an outcome that:

- assesses the circumstances affecting investments in and across the landscapes
- identifies what is working and what isn't
- identifies obstacles and opportunities
- ultimately offers actionable suggestions for improving the coordination and cohesion of finance and forests.

Why CIFOR?

Conferences organized by CIFOR, in collaboration with its partners and participating host country governments, are now widely recognized to be among the most far-reaching and influential global forest events in recent years. The successive Forest Days, held alongside the UNFCCC COP, attracted 5,000 stakeholders from more than 100 countries, 1,000 UNFCCC negotiators, 400 journalists and 400 speakers including Presidents, Ministers and Nobel Laureates; 90% of participants described Forest Days as “successful” or “very successful”, and 70% felt the events had played a major role in informing the UNFCCC negotiations on forests.

This year's Global Landscapes Forum, to be held in Lima on 6-7 December, will be coordinated by CIFOR, FAO and UNEP (along with World Bank, WRI and others), and co-hosted by Peru's Ministry of Environment and COP President and Peru's Ministry of Agriculture. More than 100 journalists, 75 organizations and 25 ministers are expected to participate, with tens of thousands joining in various ways online.¹

For the proposed Symposium on Financing Sustainable Landscapes, CIFOR has received enthusiastic responses and interest in participating from a number of intergovernmental and non-governmental organizations including international financial entities. These discussions are ongoing. Other potential partners include regional banks and industry organizations. The organizers will also aim to engage both small national/subnational-level financial institutions and larger financial

¹ For detailed reports on recent events convened by CIFOR, see the following:
Forests Asia Summit (Jakarta, May 2014): www.cifor.org/forestsasia/report/
Global Landscapes Forum (Warsaw, November 2013): www.landscapes.org/glf-2013/outcomes/

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institutions, and seek to strike a balance between scales and between public and private finance.

In the past five years, CIFOR has raised more than US\$3 million in conference funding.

Communications and Outreach

CIFOR will leverage its extensive outreach channels and networks to bring international and national attention and media attention to the event and to the issues under discussion, drawing on the success of campaigns for previous events. CIFOR's comprehensive outreach campaign will begin 2–3 months before the event, and continue during and after the event, and will employ a mix of communications tools across traditional, online and social media.

For example, CIFOR will create an event webpage, publish and promote original content on its news websites, reach out to its extensive media contacts, and produce a live webcast of the public sessions, to reach an additional 2000–3000 viewers around the world, and tens of thousands more through online media.

Location

The location of the event/s has yet to be determined, and finalizing this location is a matter of priority for the partnership.

Criteria to consider in selecting a venue are:

- Does the location enable involvement and possible partnerships with key financial institutions?
- Is the location accessible for developing country representatives and global media?
- Is the location cost-effective in terms of travel and venue?
- Does the location offer adequate facilities and infrastructure?

CIFOR and its potential partners express a clear preference for London. A major financial hub, which would attract large and small financial actors from throughout Europe, North America and developing countries, and provide easy access to engaged media (the Guardian, Reuters, BBC, the Economist). There are multiple organizations and universities working on this topic in the UK (WWF, the Prince's Charities) or in nearby hubs in other European and North American countries. There are multiple venues associated with public organizations or universities that offer lower-cost venues. This would likely be the major climate event for the UK in the run-up to Paris and would attract global attention.

Costs / Budget

The partnership will support a necessary collaboration to raise funds. As both the UNFCCC and CIFOR will be making significant contributions to their respective events, a topic for discussion is how each may support the other's event.

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Timeline

The events are proposed to take place in 2015 during the period of 18–21 May or 26–29 May.

A date earlier in May is another option, but would overlap with the 11th session of the UN Forum on Forests (4–15 May, New York).

Allowing 6–7 months for organization, the following timeline is proposed:

November 2014 – December 2014: Identification and engagement of partners and contributors

November 2014: Confirmation of Partnership between CIFOR and the UNFCCC (MoU)

December 2014: Preparatory meeting in Lima; elaborate on concept note; site inspection

January 2015: Commence organizational work: venue, logistics, speaker invitations

February 2015: Preparatory meeting in Bonn; launch communication/outreach campaign

May 2015: Financing Landscapes Symposium / SCF Forum (during the period of 18–21 May or 26–29 May)