

Inputs and case studies received from Parties and organizations to the SCF on the topic of forest finance¹

Submitted by	Keywords	Financing entity involved or described	Key points
Direct feedback provided to the revised working paper on coherence and coordination for financing for forests			
Climate Policy Initiative	Definition of finance and forests, uncertainty of flows		<p>Direct inputs to the working paper, in terms of:</p> <ul style="list-style-type: none"> • Consolidating the quantitative estimates presented in the main paper with those contained in Annex II • Caveating the estimate of 39% of finance being results-based • Elaborating further on the need to work with companies investing in broader agriculture and forestry supply chains • Emphasizing high level of uncertainty about actual resources flowing, and the many information gaps that exist, and highlight these more clearly
UNEP FI	<ul style="list-style-type: none"> • Role of private finance and investments in implementing forest projects and REDD-plus • Enabling environments • Need for coherence and coordination in the financial sector 	<ul style="list-style-type: none"> • Financial institutions, rural to international level • GCF 	<ul style="list-style-type: none"> • Redirecting existing commercial market needs public policy levers, financial market reform and efficient use of limited public money (GCF) • Nuanced discussion on how to scale up private investments for REDD-plus, including country context and barriers, feasibility of private investment and financial instruments
UNFF	<ul style="list-style-type: none"> • Polysemy in the definition of financing of forests, • Landscape of financing for forests • ODA, REDD-plus, private sources, etc 		<ul style="list-style-type: none"> • A general definition of "Forest finance" is recommended, in order to limit the polysemy of diverse financing for forests • Numerous sources of financing for forests, including: <ul style="list-style-type: none"> - domestic public finance - International public finance (notably forestry ODA) - Domestic and international private finance (incl. timber sector and non-timber forest products) - Blended and innovative finance, incl. REDD-plus and PES • UNFF can provide inputs on various stakeholders and entities dealing with FF outside the UNFCCC process and qualitative and quantitative information on forest finance beyond REDD-plus
UN-REDD Programme FAO, UNDP, UNEP	<ul style="list-style-type: none"> • Lessons learnt from readiness support • Need for coherence and coordination on the national level and international levels 	<ul style="list-style-type: none"> • UN REDD • GCF 	<ul style="list-style-type: none"> • REDD-plus readiness activities needs to be tailored to the country needs • Coordination of multiple sources of finance and good understanding of the diverse approaches to REDD-plus needed at the national level • Coherence and coordination with GCF Board decisions, and also with other mechanisms and entities providing readiness support
OECD			<ul style="list-style-type: none"> • Paying for Biodiversity: Enhancing the Cost-Effectiveness of Payments for Ecosystem Services • Promoting Biodiversity Co-Benefits in REDD • Scaling Up Finance Mechanisms for Biodiversity

¹ All received inputs can be accessed at: <www.unfccc.int/7561.php>.

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Relevant literature shared with the SCF			
Tropenbos			<ul style="list-style-type: none"> • Forest financing at the international level. Options for improving synergies and coherence in a diverse landscape • ETFRN News 54. Good Business: Making Private Investments Work for Tropical Forests • Dutch Financial Institutions and Forestry - Involvement, experience and perspectives • Financing mechanisms of informal forest management in the Peruvian Amazon. Two case studies in the Loreto region • Unlocking National Opportunities: New Insights on Financing Sustainable Forest and Land Management • The financial management of rural and indigenous agroforestry organizations: Experiences and Lessons from Central America • Timberland in Institutional Investment Portfolios: Can Significant Investment Reach Emerging Markets? • Financing Sustainable Small-Scale Forestry: Lessons from Developing National Forest Financing Strategies in Latin America • Towards national financing strategies for sustainable forest management in Latin America: Overview of the present situation and the experience in selected countries • Financing Sustainable Forest Management
WeForest			<ul style="list-style-type: none"> • European Tropical Forest Research Network: Good Business: Making Private Investments Work for Tropical Forests • The Forest Dialogue: Guide to Investing in Locally Controlled Forestry • Credit Suisse, McKinsey, WWF: Conservation Finance Moving beyond donor funding toward an investor-driven approach
Case studies and country experiences on results-based payments and alternative approaches			
Bolivia, Plurinational State of	Experiences and views on: <ul style="list-style-type: none"> • Joint Mitigation and Adaptation Approach as an alternative approach 	GCF	<ul style="list-style-type: none"> • Relevant decisions about JMA at the UNFCCC • Distinctive characteristics of REDD-plus and the JMA • Rationale for financing the JMA approach • The Logic Model for the GCF for financing JMA approaches
Mexico (Centro Mexicano de Derecho Ambiental)	Mexico's experience in terms of safeguards for REDD-plus	World Bank FCPF CIF-FIP Bilateral finance from developed countries	The case study concludes that the lessons garnered from Mexico's experience in REDD-plus safeguards implementation can contribute to the formulation of further guidance from the UNFCCC and other fora
United States of America	Experiences and views on: <ul style="list-style-type: none"> • Results-based approach • Alternative approaches • Wide variety of sources and tools 	<ul style="list-style-type: none"> • Forest Carbon Partnership Facility Carbon Fund • BioCarbon Fund Initiative for Sustainable Forest Landscapes 	<ul style="list-style-type: none"> • Lessons learnt in applying results-based approaches and transfer of payments in other domestic sectors in the US. • Examples of existing/emerging alternative approaches and associated financial instruments/mechanisms • Forest financing will come from a wide variety of sources, and most strategies will depend on the context and a blend of tools and approaches

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Althelia ecosphere	Case study on: <ul style="list-style-type: none"> • REDD • Public finance • Private sector • Innovative instruments 	USAID Credit Suisse	<ul style="list-style-type: none"> • Althelia ecosphere is a asset management platform, dedicated to: <ol style="list-style-type: none"> 1) provide finance to sustainable land use activities at scale 2) design innovative products to allow capital to flow to conservation • In 2014, Althelia ecosphere has designed two innovatve instruments: <ul style="list-style-type: none"> - A USD 133m Forest Carbon guarantee with USAID, innovative credit guarantee to leverage additional private sector capital - Nature Conservaton Notes with Credit Suisse, to allow private and financial entities invest into conservation • Opening up result-based public payments to private sector in the form of payment for Verified Emission Reductions is key to scale up private capital for sustainable land use and tropical forest conservation in the medium to long term
Carbon Disclosure Project (CDP)	Private investment CSR	Private sector	<ul style="list-style-type: none"> • CDP has pioneered and provides the world's only global natural capital disclosure system through which more than 5,000 companies report, manage and share vital environmental information. • CDP's forests program is helping to ensure that investors have access to the information they need to reduce the deforestation impact of their portfolios and loans. It is helping to ensure that investors have access to the information they need to reduce the deforestation impact of their portfolios and loans. • Our latest results on the progress of companies along the journey to sustainable commodity production and the action and interest we are seeing from the investment community are contained in the attached report, "Deforestation-free supply chains: from commitments to action".
Finance Alliance for Sustainable Trade (FAST)	Case study on: <ul style="list-style-type: none"> • Financial institutions • Small and medium sized entrepreneurs • Private investment • Sustainable forest 	Local banks in Peru and Bolivia (such as Agrobanco, ResponsAbility, and FOVIDA)	<ul style="list-style-type: none"> • FAST is a collaborative association between socially and agriculture-oriented financial institutions and a broad range of stakeholders aiming at increasing access to finance for sustainable Small and Medium Enterprises (SMEs) in developing countries • Summary of FAST's previous and ongoing projects
Forest Sciences Centre of Catalonia	Case Study in Catalonia, Spain and larger Mediterranean region <ul style="list-style-type: none"> • PES 	EIB	A public subsidies system has been devised, jointly with a bank (with support of the EIB) to help municipalities substitute their oil/gas boilers for heating, by wood-based biomass boilers. The condition is that they develop a local forest management plan and that the wood they consume come from within their municipal borders. A pilot was conducted in 2014, and 17M€ have been earmarked for the period 2015-2020 for the substitution of 150-200 municipal boilers.
GIZ - GEICO Consulting	Case study in Morocco, Tunisia, Lebanon <ul style="list-style-type: none"> • PES • CSR 		<ul style="list-style-type: none"> • In Morocco and Tunisia, national CSR platforms for forest finance are being established, aiming to enable national private and public companies to invest in forestry projects in the framework of their Corporate Social Responsibility (CSR) strategies. The project is supported by GIZ as part of Collaborative Partnership on Mediterranean Forests. • Morocco-Costa Rica-Germany are cooperating in terms of exchanging good practices of Payments for Forest Ecosystem Services. This exchange will support the identification of PFES schemes in Morocco and will enable Moroccan foresters to develop their capacities to build stronger partnerships with the private sector. <p>http://dailystar.com.lb/News/Lebanon-News/2014/Nov-10/277095-lebanon-aims-to-plant-40-million-trees-chehayeb.ashx</p> <p>http://www.giz-cpmf.org/news/news-article/items/51/</p> <p>http://www.giz-cpmf.org/news/news-article/items/43/</p>

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International Emissions Trading Association	<ul style="list-style-type: none"> • Carbon market • Private Sector • CDM • CSR 		<ul style="list-style-type: none"> • Emphasis on the emission trading markets, based on experiences from the private sector, for both results based financing and alternative approaches
Towards Transparency	Input on <ul style="list-style-type: none"> • Corruption • Coherence and coordination • REDD • PES 		<ul style="list-style-type: none"> • The research participants identified as a major concern that REDD-plus funds may be allocated unfairly and improperly as a result of corrupt practices. As a result, those who are intended to benefit from REDD-plus - including forest dwelling communities who live in and protect the forest – will miss out thereby undermining the purpose of REDD.
WeForest	Input on: <ul style="list-style-type: none"> • Capacity building • Private investment 		<ul style="list-style-type: none"> • REDD-plus will extend to a more holistic view of proactive investment in natural capital (PINC) • WeForest has developed capacity in multiple projects financing reforestation by raising money from corporate partners • The intellectual capital within this “how to” is relevant in the discussion about “the use of resources/the transfer of payments in resultsbased approaches”.
World Bank Group	Experience of World Bank in providing support for three REDD-plus phases, needs of developing countries, ODA, coherence and coordination	<ul style="list-style-type: none"> • World Bank • FCPF • CIF-FIP • BioCarbon Fund • GCF 	<ul style="list-style-type: none"> • Resources for REDD-plus readiness and varying needs; • Resources for REDD-plus implementation (ODA, PPP) and varying needs; • Results-based payments for REDD-plus; • Ways to improve coherence and coordination in the delivery of finance for forests (assessment of needs, coordination on country level, GCF coordination, guidance on ways and means, non-carbon benefits, better MRV system)
Invitation to the SCF			
Coalition for Rainforest Nations			<ul style="list-style-type: none"> • Under the UNFCCC, funding should be directed to support all phases of REDD-plus and the SCF should adequately give guidance to the GCF as such • The Voluntary Annual Meeting on REDD-plus may provide recommendations to the COP to improve the effectiveness of finance to support the implementation of REDD-plus actions within and outside the Convention, thus the SCF should participate in the first meeting of REDD-plus national entities to be held in Lima by COP20 and followed by the Second meeting next June in Bonn, with the view to consider and address the key issues identified herein
SCS Global Services			<ul style="list-style-type: none"> • "SCS Global Services Offers Lessons Learned from Extensive Experience Conducting High-Quality Forest Carbon Verifications Worldwide"