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Financing for forests : an overview of approaches and funding priorities under UNFCCC, CBD and UNFF

3rd Forum of the UNFCCC Standing Committee on Finance

September 8, 2015

World Forestry Congress

Durban, South Africa

GEF and Forests investments: a key issue

- Key area of GEF investment for more than two decades
- **More than 380 forest-related projects** since 1991
- GEF investments address forest conservation, management & utilization, PES, community-based forest management, policy and regulatory frameworks, etc.
- **\$2.1bn in total GEF financing**
- \$9.5bn co-financing
- The GEF helps integrate forests across efforts to achieve the objectives of **UNFCCC, UNCBD and UNCCD**



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An evolving program...

- **Early efforts (GEF-Pilot to GEF-3)**
 - largely single focal area,
 - early support for dedicated TFs, PES schemes, market-mechanisms
- **GEF-4 Tropical Forest Account**
 - multi-focal area projects yielding REDD+ benefits
- **GEF-5 SFM/REDD+ incentive mechanism**
 - multiple environmental benefits from the improved management of all types of forest
- **GEF-6 SFM Program**
 - Strengthened support to maintain, manage and restore forests



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Managing for multiple benefits – a necessity

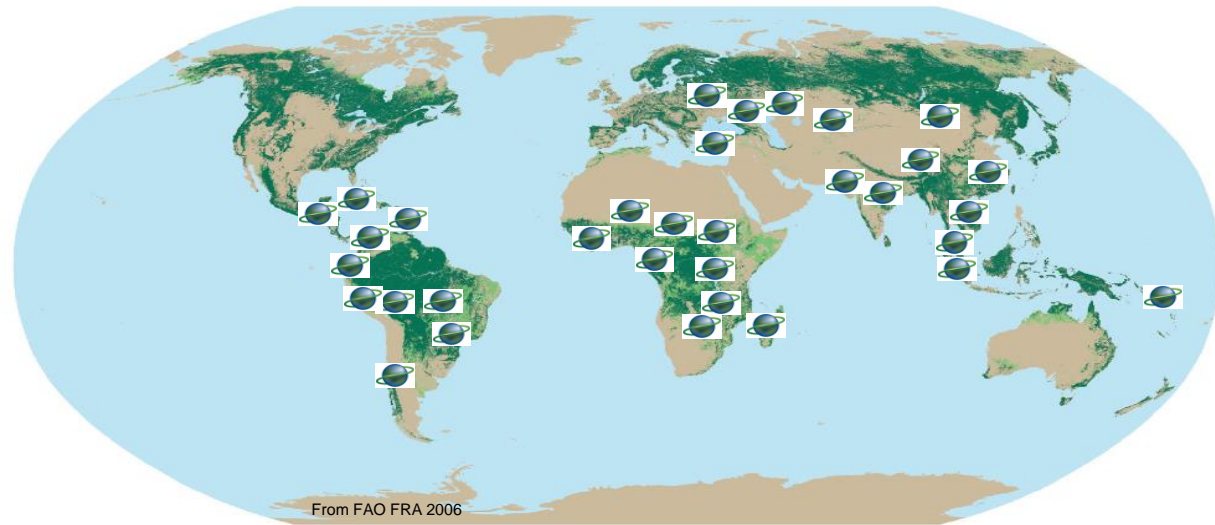
- Pressures from population and consumption growth, and the associated **demand** for food and natural resources, climate change
- Individual forest functions may be considered small enough to be overlooked but **collectively potential driver** of sustainable development
- Many products and services **co-dependent**
- Societal recognition of forests' importance
- Prioritize **long-term benefits** over short-term gains



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Experience from GEF-5

- **\$700m** in GEF financing, \$4.6bn in co-financing
- **80+ countries**
- Multi-focal projects
- Landscape-level interventions
- Each project required to deliver REDD+ benefits



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Expected results of GEF-5 investments

- Improved management over **30M ha of forest landscapes**
- More than **500,000ha of forest lands restored**
- At least **128M tCO₂e** in avoided GHG emissions from deforestation and forest degradation
- Improved forest-related MRV capacities and infrastructure



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Lessons from the forest portfolio

- Lack of **cross-sectoral** coordination is a major barrier
- **Political support** and recognizing forests as part of SD
- See the **forest and the trees** – bundle of benefits/services
- **Landscape**-level approach reflects reality
- Forests and SFM are highly **complex** – no single institution has capacity to deal with all issues
- Best projects have **multiple benefits at core of design**
- Forest dependent **people** and livelihoods need to be included
- Synergies – maybe a trade-off also?

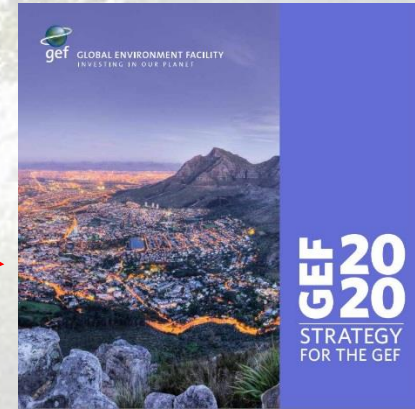


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GEF-6 SFM Goal, Impacts, Funding

- **Goal:** To achieve multiple environmental, social and economic benefits from improved management of all types of forests and trees outside of forests.
 - **Impact:** Sustainable management of forest resources that improves rural livelihoods to achieve environmental benefits.
 - **Funding, 2 instruments:**
 - ✓ \$250 million SFM incentive envelope
 - ✓ \$45 million Commodities IAP
- ... aiming for over \$750 million total investment

The new strategy!



Thank you

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Case studies

- **Mexico**: Conservation of Coastal Watersheds to Achieve Multiple Global Environmental Benefits in the Context of Changing Environments

BD+CCM+LD => +30%= +9,1 MUSD SFM/REDD+

- **Malaysia**: Improving Connectivity in the Central Forest Spine Landscape

BD+CCM+LD => +30%= +2,5 MUSD SFM/REDD+

- **Many others...**



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