United Nations Forum on Forests
Eighteenth session
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Item 3 (f) of the provisional agenda*
Technical discussions on the implementation of the
United Nations strategic plan for forests 2017–2030

Means of implementation, including operations and resources
of the Global Forest Financing Facilitation Network

Note by the Secretariat

Summary

In accordance with Economic and Social Council resolution 2021/6, the United Nations Forum on Forests, at its eighteenth session, will consider means of implementation, including operations and resources of the Global Forest Financing Facilitation Network. The present note provides background information on and highlights of the results of the intersessional activities undertaken since the seventeenth session of the Forum. It serves as the basis for discussion during the eighteenth session of the Forum on sub-item (f) of agenda item 3, on means of implementation, including operations and resources of the Network.

* E/CN.18/2023/1.
I. Introduction

1. In accordance with Economic and Social Council resolution 2021/6 and the programme of work of the United Nations Forum on Forests for the period 2022–2024, the Forum, at its eighteenth session, will hold technical discussions on the implementation of the United Nations strategic plan for forests 2017–2030. Within the discussion, the Forum will consider agenda item 3 (f) on means of implementation, including operations and resources of the Global Forest Financing Facilitation Network.

2. The present note has been prepared to serve as the basis for discussion on the above-mentioned issue under agenda item 3 (f). It provides an overview of the results of intersessional activities on the topic undertaken since the seventeenth session of the Forum, information on key global developments related to forest finance, a progress report on the activities of the Network, an update on the development of the Network clearing house and an update on developments related to the establishment of the proposed office for the Network in China. It also includes proposals for discussion by the Forum at its eighteenth session.

II. Background

3. The Network was established by the Economic and Social Council pursuant to resolution 2015/33. In April 2017, the General Assembly adopted the United Nations strategic plan for forests 2017–2030, in which the Network’s priorities were set out as follows:

   (a) To promote the design of national forest financing strategies to mobilize resources for sustainable forest management;

   (b) To assist countries in mobilizing, gaining access to and enhancing the effective use of existing financial resources from all sources for sustainable forest management;

   (c) To serve as a clearing house and database for existing, new and emerging financing opportunities and as a tool for sharing lessons learned and best practices from successful projects;

   (d) To serve to contribute to the achievement of the global forest goals and targets, as well as of the priorities contained in the quadrennial programme of work of the Forum.

4. In its resolution 2022/17, the Council recalled the importance of the mobilization and effective use of financial resources and also recalled that the effective implementation of sustainable forest management was critically dependent upon adequate resources. The Council welcomed the support provided by the Network to countries for strengthening capacity to mobilize resources by all stakeholders and from all sources to promote sustainable forest management and the achievement of the global forest goals, including through the development of national forest financing strategies. The Council also:

   (a) Invited members of the Collaborative Partnership on Forests to consider seconding staff to the Forum secretariat to enhance the capacity of the Network with a view to providing adequate and timely support to members of the Forum and to scale up support to the activities of the Network;

   (b) Requested the Forum secretariat to continue to develop and make operational phase II of the Network clearing house, including its new database on forest financial flows, within existing resources, and to encourage members of the
Forum to share their lessons learned and best practices regarding forest financing for promoting on the website of the Network clearing house, in collaboration with members of the Collaborative Partnership on Forests, in accordance with their respective mandates;

(c) Requested the Forum secretariat, within existing resources, to regularly update the Network clearing house databases and communicate information to familiarize members of the Forum with the databases, and in that respect invited members of the Collaborative Partnership on Forests to contribute, as appropriate, within their mandates and available resources;

(d) Emphasized the importance for the Network to continue to provide its support to relevant members of the Forum, consistent with the provisions of the strategic plan and its guidelines adopted during the thirteenth session of the Forum, and encouraged the Forum secretariat, in accordance with the respective United Nations rules and regulations, to identify ways to facilitate contributions from the private sector and philanthropic organizations;

(e) Recalled paragraph 13 of its resolution 2020/14 and requested the Forum secretariat to provide regular updates on the matter and to provide a progress report to the Forum at its eighteenth session;

(f) Invited members of the Forum and others in a position to do so to provide voluntary contributions to the trust fund for the Forum to scale up the activities of the Forum secretariat, including the Network.

5. The Council also decided on actions in preparation for the midterm review in 2024 of the effectiveness of the international arrangement on forests in meeting its objectives. It decided that the preparatory actions set out in the annex to the resolution should be implemented in a transparent and independent manner and in close consultation with members of the Forum, as well as member organizations of the Collaborative Partnership on Forests and other relevant stakeholders, including through questionnaires, where appropriate. Detailed information on progress in the implementation of intersessional activities in preparation for the midterm review, including actions related to the Network, is contained in document E/CN.18/2023/6.

III. New developments in forest finance

A. Global Environment Facility

6. In its seventh replenishment period, the Global Environment Facility continued to apply its integrated strategy to promote sustainable forest management, notably towards the roll-out of the two impact programmes: Food Systems, Land Use and Restoration and Sustainable Forest Management. During the reporting period, five new projects were endorsed by the Chief Executive Officer under the programmes. In total, the two programmes include 53 projects that are being implemented in 45 countries, supported by investment from the Facility of $600 million and co-financing of $4.4 billion.

7. In addition to the two impact programmes, the Facility continued to support sustainable forest management through seven other projects in Argentina, Djibouti, Gabon, Indonesia, Namibia, Nigeria, Venezuela (Bolivarian Republic of) and the Amazon (regional project), which were approved in June 2022 as part of the final work programme of the seventh replenishment period. The total investment by the Facility for these projects is $48 million.
8. On 21 June 2022, 29 donor Governments finalized $5.33 billion in pledges to the Facility for the following four years, for the eighth replenishment period from 2022 to 2026, an increase of more than 30 per cent from the previous operating period, indicating a surge of support for international efforts to meet nature and climate targets. The record funding will notably support large-scale initiatives to address biodiversity and forest loss. The strategy for the eighth replenishment period\(^1\) includes three integrated programmes promoting sustainable forest management: (a) Amazon, Congo and critical forest biomes; (b) food systems; and (c) ecosystem restoration. To implement the programmes, an envelope of $726 million of funding from the Facility is being made available to the beneficiary countries. The Amazon, Congo and critical forest biomes programme is aimed at conserving the most globally important primary forests and intact forest landscapes. It is the largest programme of the eighth replenishment period, endowed with $357 million. The food systems programme will support sustainable value chains combating forest loss and degradation, and the ecosystem restoration programme will promote the restoration of degraded ecosystems, including all types of forests. Stand-alone projects in addition to the above-mentioned programmes are expected to be designed by countries to support sustainable forest management during the eighth replenishment period.

9. In December 2022, the first Council of the eighth replenishment period approved two projects supporting sustainable forest management, in Brazil and Armenia, with total funding from the Facility of $11 million. Through the Amazon, Congo and critical forest biomes integrated programme alone, according to an early assessment by the Facility, 98 million ha of forests are expected to be conserved, sustainably managed or restored. The other programmes and stand-alone projects will add significantly more hectares under sustainable forest management throughout the eighth replenishment period, depending on the land-based projects identified by the beneficiary countries.

**B. Green Climate Fund**

10. Forest and land use is one of the eight result areas of the Green Climate Fund and one of the four dedicated to climate change mitigation. This result area includes all initiatives relating to reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries (REDD-plus). It delivers significant co-benefits on adaptation, ecosystem goods and services and livelihoods and is further complemented by several adaptation result areas (ecosystems and ecosystem services; livelihoods of people and communities; and health and well-being, food and water security), all of which include additional forest-related financing aimed at climate change adaptation.

11. As of December 2022, the Green Climate Fund had approved a cumulative total of $1.420 billion for projects in the forest and land use result area.\(^2\) This includes financing for REDD-plus phases II (implementation, $146 million) and phase III (results-based payments, $496 million). An additional $34 million has been approved to date for REDD-plus readiness (phase I). Since the previous reporting period, which ended in December 2021, the Board has approved seven projects related to forests and land use, totalling $45 million for this specific result area ($406 million, including other result areas covered by the projects). Three projects are located in Africa and two in Latin America and the Caribbean, and the remaining two projects are multi-regional.

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2. Communication from the Green Climate Fund, 6 January 2023.
12. At its thirty-first meeting, in March 2022, the Green Climate Fund Board approved the Inclusive Green Financing Initiative. Covering 13 countries across the Sahel, the $189 million cross-cutting programme is aimed at enabling local farmers, farmers’ organizations, cooperatives and micro and small-sized enterprises to access both credit and technical assistance. The aim is to help them to implement climate-resilient and low-emission agriculture and agroforestry, combining forests and land use with energy access and power generation, the most vulnerable people, communities and regions, health and well-being, food and water security, and ecosystems and ecosystem services.

13. As of the time of writing, the pipeline contained at least a further $2.223 billion in forest and land use projects, with possible additional forest-related financing, including from the above-mentioned adaptation result areas.

14. At its thirty-third Board meeting, the Fund released an information paper on its current approach to financing for forests and alternative approaches, in which, notably, it indicated that, of its portfolio up to the thirty-second meeting of the Board in May 2022, the Fund had approved a total of $2.73 billion in forest finance (defined as the sum of forest-related readiness finance, the forest and land use result area and the adaptation portion of the projects that include forests and land use as a result area). This amount includes $851.1 million for REDD-plus.

C. Adaptation Fund

15. Established under the Kyoto Protocol to the United Nations Framework Convention on Climate Change in 2010, and serving the Paris Agreement on Climate Change since January 2019, the Adaptation Fund has provided a total of $985 million to more than 100 countries. The Fund’s portfolio has a total of 143 climate change adaptation-specific projects in vulnerable communities of developing countries around the world, including six small innovation grants. The approved projects are expected to benefit a total of 38 million people and protect or rehabilitate 608,580 ha of natural habitats, among other results. Since 2010, the Fund has allocated more than $165 million under the impact area of increased ecosystem resilience in response to climate change- and variability-induced stress, which includes projects in the forestry sector and nature-based solutions.

16. In addition, the Adaptation Fund Board decided to enable countries to nominate and accredit up to two national implementing entities per country, rather than just one. The Fund’s medium-term strategy for 2023–2027 continues to increase the ambition under the strategic areas of action, innovation and learning and sharing, and introduces a cross-cutting strategic emphasis on promoting locally based and locally led adaptation as well as on scaling up funded activities and results, while building on the Sustainable Development Goals and serving the Paris Agreement to help to meet the challenge of climate change. In this regard, the Fund raised more than $250 million in new pledges at the twenty-seventh session of the Conference of the Parties to the United Nations Framework Convention on Climate Change. It will make a considerable dent in its $388 million-plus pipeline of project proposals (as at 30 June 2022) and the steady stream of high demand for its work.

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3 See www.greenclimate.fund/project/fp183.
6 This amount includes all the proposals submitted to the Adaptation Fund Board between 1 July 2021 and 30 June 2022 but not yet approved by the Board or cancelled by the proponent by the end of that period.
D. **World Bank**

17. During 2022, the World Bank approved 27 projects (21 loans and six grants) for a total of $2.6 billion, for projects that were focused on forests. Thirteen of the projects are in Africa, two in East Asia, three in Europe and Central Asia, eight in Latin America and one in South Asia. In all, 17 of the 27 projects are led by the environmental, natural resources and blue economy global practice, while the other 5 are led by other World Bank sectoral global practices, such as agriculture and macroeconomics.

18. Between 2016 to 2022, the World Bank’s forest operations achieved significant results towards global forest goals and targets. Since fiscal year 2022, 16 million ha of forest area have been brought under management plans, 9 million ha of new areas outside protected areas have been managed as biodiversity-friendly, an area of 74.6 million ha has been brought under enhanced biodiversity protection and 331 million ha of land area have been brought under sustainable land management practices. The World Bank Group had committed to a climate finance target of 35 per cent of the total portfolio by 2026 and a target of $25 billion in climate finance per year from 2021 to 2026. In fiscal year 2022, the Group delivered a record $31.7 billion for climate-related investments, exceeding the climate finance target.

19. To support the alignment of development and climate objectives at the country level, the Group launched a new core diagnostic tool, the country climate and development report. Each report is a country-specific road map to green, resilient and inclusive development, showing which strategies will do the most, at the fastest pace, to reduce greenhouse gas emissions and foster resilience and adaptation in each country while achieving other development goals. The synthesis report, published in November 2022, highlighted the fundamental link between climate and development: the future impacts of climate change depend on the choices that countries make today, in particular the investments that also boost development outcomes, including in critical infrastructure or to safeguard communities and livelihoods. Several country climate and development reports were showcased at the twenty-seventh session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, including those of Argentina, China, Pakistan, the Philippines, Malawi, Rwanda, Nepal and the Sahel. The President of the World Bank, David Malpass, introduced a major initiative at the Conference, the Scaling Climate Action by Lowering Emissions partnership, to catalyse climate action through results-based climate finance. The partnership will help to bridge the climate finance gap by supporting countries in accessing international carbon markets. A high-level event showcased the benefits of programmes that use results-based climate finance to generate high-quality, high-integrity emission reductions, such as by reducing deforestation and forest degradation, and ensure that benefits are shared fairly among people and communities. The partnership will pool funding from donor countries, the private sector and foundations and deploy it at scale for the most impactful programmes that reduce greenhouse gas emissions.

20. Under the finance task force of the United Nations Decade on Ecosystem Restoration, the World Bank Group launched a stocktaking report to explore how

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public, private and non-profit actors can collaborate to map restoration investment opportunities to appropriate funding sources and leverage innovative financial structures and growing payments for ecosystem services markets in order to mobilize private finance for restoration. The report was launched at the Global Landscape Forum in November 2022 and will serve as the basis for the development of a road map for the task force to produce guidance on how to build the economic and business case for ecosystem restoration, as well as promote the monetization of benefits and the scaling of investments.

21. PROGREEN, the Global Partnership for Sustainable and Resilient Landscapes, is administered by the World Bank and supports countries’ efforts to improve rural livelihoods while tackling declining biodiversity, forest loss and deteriorating land fertility and managing risks such as uncontrolled forest fires and drought exacerbated by a changing climate. Through an integrated landscape approach, PROGREEN helps countries to meet national and global Sustainable Development Goals and commitments, including poverty reduction, in a cost-effective manner. In fiscal year 2022, PROGREEN supported 7 country and regional programmes and 20 country knowledge activities. It also developed global programmes such as flagship initiatives on key landscape topics, capacity-building and knowledge-sharing, and communications and knowledge management.

E. Global Mechanism

22. The Global Mechanism is an institution of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa, that is mandated to assist countries in the mobilization of financial resources from the public and private sectors for activities that avoid, reduce or reverse desertification, land degradation and drought. The Global Mechanism supports countries in translating the Convention into action and in implementing their voluntary land degradation neutrality targets, including by supporting the development of transformative projects and programmes that address desertification, land degradation, drought, land tenure, land governance and other land-based issues. Since the initiation of the work stream of transformative projects and programmes focused on land degradation neutrality in 2018, a total of 74 countries have been supported through 59 national projects involving 55 countries and six regional or multi-country projects involving 41 countries. Following a land-based approach, the transformative projects and programmes have the potential to generate multiple benefits to tackle multisectoral issues related to forests, drought and water scarcity, biodiversity loss, climate change adaptation and mitigation, land tenure security, renewable energy and projects contributing to creating green jobs, among others.

23. Inspired by the Great Green Wall for the Sahara and the Sahel Initiative, the Southern African Development Community (SADC) initiated a Great Green Wall Initiative in the SADC region in 2015. The Convention secretariat is supporting the SADC secretariat, the African Union Commission and partners in implementing the SADC strategy for the Great Green Wall Initiative through project preparation, resource mobilization, political advocacy and engagement. Projects under the SADC Great Green Wall Initiative are aimed at drawing financing for projects under six investment pillars, tackling the key environmental, social and economic challenges in the SADC region: water for all, access to renewable energy, productive and resilient ecosystems, climate-resilient green infrastructure, strengthened agricultural

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12 See www.unccd.int/sites/default/files/2022-03/ICCD_CRIC%2829%29_5-2202342E.pdf.
13 See www.unccd.int/our-work/ggwi.
productivity and resilient food systems, and transformative economic and business development. Key interventions under the six pillars include forests and trees outside forests, among other nature-based solutions.\(^\text{14}\)

### IV. Technological solutions

24. In advancing the global forest goals and targets, members of the Forum recognized the importance of science, innovation and technology in the forest sector as reflected in the United Nations strategic plan for forests.\(^\text{15}\) The Forum therefore encouraged\(^\text{16}\) its members to: (a) enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge-sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism; and (b) promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed. In addition, target 4.3 of Global Forest Goal 4 is to significantly enhance and increase North-South, South-South, North-North and triangular cooperation and public private partnerships on science, technology and innovation in the forest sector.

25. The challenges experienced in the forest sector as a result of various crises, including climate change and the coronavirus disease (COVID-19) pandemic, have amplified the need to accelerate the harnessing of science, technology and innovation in the forest sector. Innovative technologies and mechanisms are emerging for the provision of and equitable access to accurate information and knowledge on forests. These must be applied widely to enable evidence-based forest and landscape decision-making and effective forest communication. In recent years, there has been an increase in the availability and use of digital technology and information and communications technologies for communication, forest surveillance and monitoring, the provision of online services and electronic payments. A common strategy adopted in the forest sector by some countries has been the use of modern digital technology and innovative measures, including online platforms for providing services such as timber harvesting and export permits, approval for businesses and online bidding (see E/CN.18/2022/7). In the Asia-Pacific region, the measures included online platforms for providing services such as the approval of permits for businesses (in Fiji), online bidding (in Japan), services for marketing seedlings and free rental of forestry equipment (in the Republic of Korea) and the use of unmanned aerial vehicles (in Bangladesh).\(^\text{17}\)

26. However, access to and adoption of available technologies remains uneven and limited, especially in most developing countries and countries with economies in transition. The transfer of technology and accelerated diffusion in the forest sector is often constrained by a variety of factors. These include lack of information about available technologies, lack of financial resources to acquire the technologies, lack of skilled personnel with the knowledge and know-how to use the technologies, lack of financial incentives for the sharing of Indigenous and local technological knowledge and inadequate technological education. In addition, there are governance


\(^\text{16}\) Economic and Social Council resolution 2017/4, para. 58.

barriers to technology export and import and insufficient legal, institutional and financial frameworks for facilitating technology transfer on favourable terms.

27. Making use of innovative technologies often requires knowledge, know-how and skills, as well as the establishment of markets and effective supply chains. These are usually not readily available in places where the technologies are most needed. Technology transfer therefore needs to be complemented with knowledge-sharing and capacity-building focused on building know-how and learning new skills. There is a need for policy measures focused on promoting and facilitating access to knowledge, providing incentives for adoption and accelerating the diffusion of new innovation. There is no existing global technology facilitation mechanism focused on the forest sector. The establishment of such a mechanism could therefore offer a platform for information- and knowledge-sharing, technology exchange and technical assistance. In the context of the midterm review of the effectiveness of the international arrangement on forests, this could be included as part of the Network’s tasks, in collaboration with the Technology Facilitation Mechanism or similar initiatives, organizations and stakeholders in order to address Forum members’ needs.

V. Global Forest Financing Facilitation Network activities since the seventeenth session of the United Nations Forum on Forests

A. Support for members of the United Nations Forum on Forests

28. Since its establishment in 2015, the Global Forest Financing Facilitation Network has worked with 34 countries and 3 subregions to design, respectively, national and regional forest financing strategies, and to build capacity to develop project proposals for financing from existing sources. Since the seventeenth session of the Forum, the Secretariat has continued to provide support to 15 countries and 2 subregions. Strengthening of national capacities in the development of national forest financing strategies and development of project proposals for accessing forest finance from existing multilateral and other sources have been provided to several members of the Forum, in collaboration with the accredited agencies selected by the countries. A summary of the key activities is given below.

1. Algeria, Benin, Ethiopia, Liberia, Togo and Zimbabwe

29. Analytical studies focused on the status of forests, forest management and utilization and forest financing were conducted and completed in each of these countries. The studies provide detailed baseline information required for the formulation of the national forest financing strategies that are aligned to national development strategies and the national forest programmes and responsive to priority issues identified through stakeholder consultations. The studies also provide for facilitating the integration of forest-related commitments from relevant international policy processes, in particular from the multilateral environmental conventions, the Sustainable Development Goals, nationally determined contributions under the Paris Agreement, the global Forest goals and the land degradation neutrality targets.

18 See https://sdgs.un.org/tfm. Paragraph 70 of the 2030 Agenda for Sustainable Development refers to the launch of a Technology Facilitation Mechanism in order to support the implementation of the Sustainable Development Goals. Its goal is to facilitate multi-stakeholder collaboration and partnerships through the sharing of information, experiences, best practices and policy advice among Member States, civil society, the private sector, the scientific community, United Nations entities and other stakeholders.
30. Capacity-building workshops on the development of national forest financing strategies and the formulation of project proposals for mobilizing financing for sustainable forest management from all possible sources available at the domestic and international levels were conducted in each country. A total of 293 national experts were trained. Given the cross-sectoral nature of forestry and the multiple functions of trees and forests, the national experts in all the countries were drawn from the relevant government agencies, the private sector, civil society organizations, academia and research. Emphasis was also placed on ensuring gender equity and youth participation. Following the workshops, each country established a multidisciplinary task team to develop its draft national forest financing strategy, with technical guidance from the Network. In all six countries, the task teams are also receiving technical guidance from the Network and select accredited entities in the design and formulation of project concept notes for accessing funding from existing multilateral and other sources. It is envisaged that the draft documents will be ready for validation during the second or third quarter of 2023.

2. Dominica, Peru, Saint Kitts and Nevis, Saint Lucia, South Africa, Suriname and United Republic of Tanzania

31. The secretariat, in partnership with the United Nations Development Programme (UNDP) and the Ministry of Natural Resources and Tourism of Tanzania completed the preparation of the national forest financing strategy for Tanzania. The validation workshop, which provided stakeholders with the opportunity to review and make final inputs into the national forest financing strategy, was held in November 2022. The final national forest financing strategy has been submitted to the Ministry for formal adoption. Support to Peru and Suriname is still outstanding, while the support to Dominica, Saint Kitts and Nevis, Saint Lucia and South Africa could not be finalized during this period owing to various challenges, including coordination with the accredited entity and logistical issues.

3. Central African Forests Commission

32. The secretariat collaborated with UNDP and the secretariat of the Central African Forests Commission in finalizing the development of the regional forest financing strategy and the project concept note, aimed at strengthening the capacity of member States of the region in mobilizing resources for sustainable forest management from all possible sources. During the validation workshop, held in Douala, Cameroon, in September 2022, participants from the member States of the Commission reviewed and provided inputs to the regional forest financing strategy and the project concept note on “Supporting reduction of greenhouse gas emissions from deforestation and forest degradation (REDD+) towards results-based payments (RBP) in the Congo Basin” for accessing financing. These documents were finalized and shared with stakeholders. The final regional strategy, incorporating inputs from the workshop, has been submitted to the Commission secretariat, while UNDP, as the accredited entity, is now finalizing the concept note for submission to the Green Climate Fund.

4. New requests

33. Since the seventeenth session of the Forum, the Forum secretariat has also received new requests for Network support from Burundi, Comoros, the Congo and Mozambique. All the countries requested support in the design of national forest financing strategies to mobilize resources for sustainable forest management and for capacity-building in accessing existing and emerging financial resources from all sources for sustainable forest management. Support to these countries is expected to commence during the third quarter of 2023, depending on the availability of resources.
B. Private sector engagement

34. Mobilizing private financing has consistently been an important component of the work of the Network’s, through the capacity-building support in the design and development of national forest funds. This typically includes gap analysis, diagnosis of challenges and opportunities for attracting private sector investment and action plans for creating a conducive environment for private sector investment and enhancing access to financing from both domestic and international financing institutions based on country situation. Following the guidance provided in Economic and Social Council resolution 2022/17, in which the Council encouraged the Forum secretariat, in accordance with the respective United Nations rules and regulations, to identify ways to facilitate contributions from the private sector and philanthropic organizations, the Forum secretariat further explored means to leverage private financing to support developing Governments in the implementation of the United Nations strategic plan for forests 2017–2030. During the twenty-sixth session of the Committee on Forestry of the Food and Agriculture Organization of the United Nations (FAO), in October 2022, the Forum secretariat engaged with the Advisory Committee on Sustainable Forest-based Industries to explore areas of collaboration. The Committee is a statutory body of FAO, composed of senior executives from the private industry sector who provide guidance to the FAO Forestry Division on issues relevant to the paper and forest products industry.

35. The Forum secretariat also initiated discussion with philanthropic organizations, including the Bezos Earth Fund, to identify areas of potential collaboration and possible means of increasing their investment in sustainable forest management. Similar discussions have been initiated with some organizations involved in carbon markets, including the Lowering Emissions by Accelerating Forest finance coalition. Under the Joint Initiative on Forest Finance Facilitation of the Collaborative Partnership on Forests, as reflected in the Partnership’s workplan 2021–2024, several members are working on different initiatives for leveraging private finance. A common observation from the members is that private financing depends significantly on the transparency of financial processes, the stability of political conditions and favourable international trade policies, inter alia.

36. The Forum secretariat has initiated collaboration with The Forests Dialogue on mobilizing private sector investments into the restoration of degraded forests. It is widely recognized that restoring degraded ecosystems at the global scale is a monumental task, requiring colossal investment. According to the State of Finance for Nature report (UNEP, 2021), an investment of $8.1 trillion is needed by 2050 to restore degraded ecosystems and halt biodiversity loss – this amounts to tripling the current level of annual available finance by 2030 and quadrupling it thereafter until 2050. Given the limited availability of public finance, channelling private sector investments towards ecosystem restoration is an absolute necessity. The collaboration with The Forests Dialogue is part of the Forum secretariat’s efforts to find ways and means of strengthening the engagement of the private sector and increasing private investments into forest landscape restoration. The Forests Dialogue is an organization that designs and implements multi-stakeholder dialogues aimed at fostering social learning, building trust and supporting processes for collaborative and adaptive land management across sectors. It is facilitating dialogue with the private sector and other stakeholders to understand how to enhance the participation of the forest-based industries in forest landscape restoration. This builds on the dialogue initiated in 2022 by The Forests Dialogue and the FAO Advisory Committee on Sustainable Forest-based Industries on understanding the engagement of forest-based industries in

20 https://theforestsdialogue.org/.
ecosystem restoration. It is envisaged that this collaboration will yield policy recommendations and suggestions on how to strengthen the engagement of the private sector in the Forum’s work and the measures required to increase private sector investment in forest landscape restoration.

C. Staff secondments from the Collaborative Partnership on Forests

37. At its seventeenth session, the Forum invited members of the Collaborative Partnership on Forests to consider seconding staff to the Forum secretariat to enhance the capacity of the Network with a view to providing adequate and timely support to members of the Forum and to scale up support for the activities of the Network. This was discussed at Partnership meetings but as at the time of writing no Partnership member has been able to offer staff on secondment. The secretariat of the International Tropical Timber Organization has offered to explore the possibility of providing online support for Network activities.

D. Update on the development of the Global Forest Financing Facilitation Network clearing house

38. Phase I of the Network clearing house was launched at the sixteenth session of the Forum, in April 2021. It includes a website and three databases, namely, databases for financing opportunities, learning materials related to obtaining access to resources and good practices and lessons learned. Since the seventeenth session of the Forum, the secretariat has continued to expand and improve the quantity and quality of the data contained in the three databases under phase I of the clearing house. New data was collected and verified through desk research and liaison with data providers. By January 2023, total data entries in the phase I databases of the clearing house had increased to more than 250, including some 130 entries on financing opportunities.

39. In order to reach out to additional potential users of the clearing house and provide timely information on forest financing to member States, the secretariat initiated a communication product entitled “Forest financing quarterly highlight” in 2022. By the end of 2022, four issues of the quarterly highlight had been produced and shared with members of the Forum. The secretariat has also reached out to its network of data providers and encouraged member States to contribute content to the quarterly highlight and the clearing house website. From 1 May to 31 December 2021, the clearing house website attracted about 1,400 users from nearly 130 countries and reached nearly 5,000 page views. By 31 December 2022, the cumulative number of users for the clearing house website had reached some 18,000 in 180 countries, and the total page views has exceeded 29,000.

40. Phase II of the clearing house will comprise a database of the flow of financial resources to forests, with a view to providing data for assessing progress on target 15.b of the Sustainable Development Goals and global forest goal 4, as stipulated in the guidelines of the Global Forest Financing Facilitation Network. Phase II of the clearing house will continue to be developed using the Unite Web platform hosted by the United Nations, following a cost-effective approach and avoiding duplication.

41. Since the seventeenth session of the Forum, the secretariat has been continuing its preparation for the development of phase II. The planning of the intersessional work and the substantive preparation in this regard have been conducted in close consultation with the members of the joint initiative on forest finance facilitation of the Collaborative Partnership on Forests.
42. At the time of preparation of the present note, the secretariat is developing a background note regarding the data sources for forest financing flow. The background note is aimed at clarifying the landscape of forest financing flows to sustainable forest management, and to identify potential data sources that could be used for phase II of the clearing house. Following the completion of the study, a brainstorming meeting will be organized with relevant partners. The aim of the meeting is to discuss the selection of data sources for phase II.

E. Partnerships and joint activities

43. The secretariat, as the manager of the Global Forest Financing Facilitation Network, participated in several partnerships and joint initiatives with international, regional and subregional organizations and governments, some of which are discussed above. Some of the key partnerships and joint initiatives in which the Network has participated since the sixteenth session of the Forum are summarized below.

1. Inter-agency Task Force on Financing for Development

44. The secretariat continued its participation in the Inter-agency Task Force on Financing for Development. The main activities included participation in the preparations for the 2023 financing for sustainable development report and in reviewing additional integrated national financing frameworks’ guidance notes, in particular the note on climate finance. The purpose of these notes is to complement the initial guidance jointly prepared on the frameworks’ building blocks and to provide insights for countries prioritizing related issues.

2. United Nations Decade on Ecosystem Restoration

45. The secretariat continued to participate in the FAO-led task force on best practices regarding the United Nations Decade on Ecosystem Restoration, in collaboration with other partners. Following the launch of the 10 principles for ecosystem restoration applicable across all sectors, biomes and regions in 2021, the task force finalized the development of standards of practice in ecosystem restoration in 2022. It also completed a capacity needs assessment, in which it identified financing technical capacity, stakeholder engagement and policy development as the main priority areas for capacity-building to enhance ecosystem restoration across all sectors. The focus of capacity-building in financing is aimed at strengthening ability to obtain the resources needed to reach the desired scale and quality while supporting efforts to build and sustain enabling conditions for restoration at the local, national and global scales. The capacity, knowledge and learning action plan for the United Nations Decade and standards of practice for ecosystem restoration were launched at the fifteenth meeting of the Conference of the Parties to the Convention on Biological Diversity. The main focus of the task force’s work in 2023 will be the development and implementation of eight capacity development and knowledge-sharing initiatives, which include the Global Restoration Economics and Finance Facility.


46. The Forum secretariat and the Convention to Combat Desertification signed a memorandum of understanding in 2017 that was aimed at developing and implementing targeted joint activities relating to sustainable land and forest

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21 See https://inff.org/inff-building-blocks.
management to improve the conditions of affected ecosystems, including for the achievement of land degradation neutrality (Sustainable Development Goal 15, target 3). In this context, the Forum secretariat and the Global Mechanism are collaborating in supporting Algeria, Benin, Ethiopia, Liberia, Uzbekistan and Zimbabwe, where both partners were requested to provide support. The support includes capacity-building and technical assistance in the design of concept notes focused on achieving forest landscape restoration and addressing desertification, land degradation and drought. The possibility of signing a new memorandum of understanding in 2023 is also under discussion between the Forum secretariat and the Convention.

4. **International Bamboo and Rattan Organization**

47. In collaboration with the International Bamboo and Rattan Organization, the secretariat organized a session, in hybrid format, on strengthening resource mobilization for sustainable forest management and forest restoration during the Second Global Bamboo and Rattan Congress, held in Beijing on 7 and 8 November 2022. The Congress brought together representatives from Governments, research institutes, international and non-governmental organizations (NGOs), the private sector and the media to discuss the development of bamboo and rattan. The discussions during the session centred on actions and partnerships required to mobilize financing resources for implementing the United Nations strategic plan for forests 2017–2030. The session featured presentations and sharing of experiences by the secretariat of the International Bamboo and Rattan Organization, the Forum secretariat and representatives from the Governments of China and Malawi. The presentations highlighted the status, actions and good practices of Governments and international organizations in mobilizing resources for forests, with particular focus on bamboo and rattan. Some innovative approaches and recommendations shared during the session, such as subsidized forest disaster insurance, private-public partnerships, the financing of research, the promotion of innovation and the use of bamboo, can be adopted and applied by other Governments and entities. Participants at the meeting also discussed some potential areas for collaboration between the International Bamboo and Rattan Organization and the Network, in particular on resource mobilization, which provide the basis for further follow-up actions.

5. **African Forest Forum**

48. The African Forest Forum is a pan-African NGO committed to the sustainable management, use and conservation of the forest and tree resources of Africa for the socioeconomic well-being of its people and for the stability and improvement of its environment. The African Forest Forum and the Forum secretariat jointly organized two capacity-building workshops to strengthen the capacity of a critical mass of African forestry stakeholders from selected countries, on accessing climate finance to support enhancement of the contribution of forests to climate change mitigation and adaptation. This was in response to the assessments of the first nationally determined contributions, which revealed that lack of financial resources constrained implementation in African countries. The first workshop, held in Douala, Cameroon, from 14 to 18 March 2022, was attended by 30 participants from 8 countries, and the second workshop was held in Mombasa, Kenya, from 20 November to 2 December 2022, and attended by 40 participants from 12 countries.
F. Resources leveraged for supporting the operation of the Global Forest Financing Facilitation Network

49. The work of the Network is funded mainly from extrabudgetary resources provided through the trust fund for the United Nations Forum on Forests by donor countries. In addition, since June 2022, the secretariat has mobilized $75,579 from the regular programme of technical cooperation of the United Nations and $314,990 from the voluntary contribution of the Government of China. The secretariat has also secured approximately $377,000 under the fifteenth tranche of the United Nations Development Account, which is targeted at some of the Network’s activities.

50. Continued extrabudgetary resources, including contributions from donor countries, are required to support the activities of the Network during the quadrennial programme of work of the Forum for the period 2021–2024 and to cover the costs associated with the development and maintenance of the Network clearing house.

G. Update on the proposed Forum secretariat office for the Global Forest Financing Facilitation Network in China

51. At its thirteenth session, the Forum noted with appreciation the offer of the Government of China to establish and make operational an office in Beijing for the Global Forest Financing Facilitation Network and requested the Forum secretariat to regularly report on the possible arrangements for and operation of the proposed office. At its fourteenth, fifteenth, sixteenth and seventeenth sessions, the Forum secretariat provided updates on progress on the matter. Four rounds of consultations between the United Nations and China had been held before the sixteenth session of the Forum. Since the seventeenth session, no formal meetings have been organized between the two sides. However, informal discussions were organized between them, during which some suggestions were provided by the United Nations to address some of the differences on the nature and scope of the activities of the proposed office. These suggestions are still under consideration by China. Further consultations are still required between the United Nations and China to reach a common understanding on several issues in the draft host country agreement and the draft memorandum of understanding.

H. Conclusion

52. Despite the growing recognition of the importance of forests and trees outside forests in addressing the planetary crises of climate change, biodiversity loss, land degradation, threats from zoonotic diseases and poverty, the financial flows to the forest sector remain a small fraction of the estimated requirements of at least $203 billion annually. 23 This situation is exacerbated by continued challenges experienced by the intended beneficiary countries in accessing the funds available or announced under various initiatives. The main challenges include lack of information on how to access funding available under various financing pledges to the sector, lack of resources and limited capacity for preparing proposals that meet the requirements of some of the funding sources, in particular the multilateral sources.

53. In addition, even though the adoption and use of science, technology and innovation is emerging as an area of opportunity for the forest sector, the development, transfer, dissemination and diffusion of environmentally sound

technologies to developing countries remains limited. There is a need for enhanced international cooperation on, and access to, science, technology and innovation and enhanced knowledge-sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular the Network, in collaboration with the Technology Facilitation Mechanism.

54. There is continuing demand, and increasing requests, from countries for technical support from the Network to mobilize resources for forests from existing, new and emerging sources. In this regard there is a need for increased resources to enable the Network to respond and provide the requested support in an effective and timely manner.

I. Suggestions on the way forward for inclusion in the Chair’s proposals

55. The following points are suggested for discussions during the eighteenth session of the Forum and for inclusion in the Chair’s proposals for submission to the nineteenth session of the Forum:

(a) Welcome the support provided by the Global Forest Financing Facilitation Network to countries in strengthening capacity to mobilize resources from all sources for sustainable forest management;

(b) Request the secretariat, in collaboration with members of the Collaborative Partnership on Forests, to continue to develop and operationalize the global technology facilitation mechanism;

(c) Invite members of the Forum, and others in a position to do so, to provide voluntary contributions to the Forum trust fund to scale up the activities of the Network.