



# Economic and Social Council

Distr.: General  
26 February 2024

Original: English

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## United Nations Forum on Forests

### Nineteenth session

New York, 6–10 May 2024

Item 3 of the provisional agenda\*

**Policy discussions on the implementation of the United Nations strategic plan for forests 2017–2030: activities in support of the thematic priorities for the biennium 2023–2024**

## **Policy discussions on the implementation of the United Nations strategic plan for forests 2017–2030: activities in support of the thematic priorities for the biennium 2023–2024**

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

#### **Note by the Secretariat**

#### *Summary*

In accordance with its programme of work for 2022–2024, at its nineteenth session the United Nations Forum on Forests will hold, under agenda item 3, policy discussions on the implementation of the United Nations strategic plan for Forests 2017–2030. Under the same agenda item, means of implementation, including operations and resources of the Global Forest Financing Facilitation Network, will also be considered. The present note provides background information and key global developments regarding means of implementation and presents a summary of the intersessional activities undertaken by the Network since the eighteenth session of the Forum. It serves as the basis for discussion during the nineteenth session of the Forum on means of implementation, including operations and resources of the Network.

[E/CN.18/2024/1](#).

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## 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, at its nineteenth session the Forum will hold policy discussions on the implementation of the United Nations strategic plan for forests 2017–2030. Under agenda item 3, the Forum will consider means of implementation, including operations and resources of the Global Forest Financing Facilitation Network.

2. The present note provides an overview of the results of intersessional activities since the eighteenth session of the Forum and includes information on key global developments related to forest finance, a progress report on the activities of the Network, an update on the development of phase II of the Network clearing house and an update on developments related to the establishment of the proposed office for the Network in China. The note also refers to relevant proposals contained in the summary by the Chair of the discussions during the eighteenth session of the Forum ([E/2023/42](#), annex).

## II. Background

3. In accordance with Economic and Social Council resolution [2015/33](#), supporting efforts to strengthen means of implementation for implementation of sustainable forest management and forest governance frameworks is one of the objectives of the international arrangement on forests. In addition, in the same resolution, the Economic and Social Council decided that one of the core functions of the United Nations Forum on Forests was to promote, monitor and assess the implementation of sustainable forest management and mobilize, catalyse and facilitate access to financial, technical and scientific resources. Through the same resolution, the Council established the Global Forest Financing Facilitation Network as a component of the international arrangement on forests. In April 2017, in its resolution [71/285](#), 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 contribute to the achievement of the global forest goals and targets, as well as priorities contained in the quadrennial programme of work of the Forum.

4. On the basis of the technical discussions held at the eighteenth session of the Forum, the Chair submitted for further consideration at the nineteenth session the following proposals with respect to the means of implementation, including operations and resources of the Global Forest Financing Facilitation Network (see [E/2023/42](#), annex):

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

(b) 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.

### III. New developments on forest finance

#### A. Global Environment Facility

5. In its eighth replenishment period, the Global Environment Facility continued to apply the integrated strategy to promote sustainable forest management, notably through three integrated programmes promoting tropical forest conservation, ecosystems restoration and regenerative agriculture to reduce pressure on natural forests and take deforestation out of food production systems and value chains.<sup>1</sup>

6. The Amazon, Congo and Critical Forest Biomes integrated programme<sup>2</sup> was approved by the Global Environment Facility Council on 29 June 2023, with a Facility support grant of \$291 million and approximately \$1.6 billion in expected co-financing. It supports 25 countries covering an estimated 87 per cent of existing tropical forest biomes. This programme addresses the growing urgency to safeguard intact forest landscapes that are irreplaceable in terms of biodiversity, absorb up to a third of anthropogenic greenhouse gas emissions and are critical for other ecosystem services (e.g. water) and the well-being of Indigenous Peoples and local communities. The programme is composed of five separate regional programmes in the Amazon, the Congo basin, Mesoamerica, the Indo-Malaya region and the Guinean forests of West Africa, covering the globally significant biomes. It is expected that this integrated programme will contribute to protecting and sustainably managing more than 44 million hectares of terrestrial protected areas, improving practices in 23 million hectares of landscapes for biodiversity benefits and mitigating the emission of 495 Mt CO<sub>2</sub>e<sup>3</sup> of greenhouse gasses. During the reporting period, three additional countries applied to join the integrated programme, supported by a \$15 million Facility grant.

7. The Ecosystem Restoration integrated programme<sup>4</sup> was also approved by the Global Environment Facility Council on 29 June 2023, with a support grant of \$205 million and approximately \$1.6 billion in expected co-financing. It includes 20 countries with national projects across Asia, Central Asia, Africa and Latin America. This programme addresses the immense potential of returning hundreds of millions of hectares of degraded landscapes to functioning ecosystems, and the opportunity to drive synergistic benefits across multiple environmental dimensions while generating economic, ecological and livelihood benefits for an estimated 1.8 million people. This integrated programme is expected to restore 2.2 million hectares, including forests and productive landscapes, improve sustainable management through improved practices in over 10 million hectares, and mitigate the emission of 133 Mt CO<sub>2</sub>e of greenhouse gasses.

8. The Food Systems integrated programme<sup>5</sup> was designed and submitted to the Global Environment Facility for potential approval by the Council in February 2024, with a support grant of \$282 million and approximately \$2.2 billion in expected co-financing. It includes 32 countries with national projects across Asia, Africa and Latin America. This integrated programme will focus on transforming global food systems from farm to table in order to make them sustainable, regenerative, nature

<sup>1</sup> See [www.thegef.org/what-we-do/topics/integrated-programs](http://www.thegef.org/what-we-do/topics/integrated-programs).

<sup>2</sup> See [www.thegef.org/sites/default/files/2023-05/GEF\\_IP\\_RainforestSystems\\_2023\\_05.pdf](http://www.thegef.org/sites/default/files/2023-05/GEF_IP_RainforestSystems_2023_05.pdf).

<sup>3</sup> Mt CO<sub>2</sub>e is commonly referred to as metric tons of carbon dioxide equivalent.

<sup>4</sup> See [www.thegef.org/sites/default/files/2023-05/GEF\\_IP\\_EcosystemRestoration\\_2023\\_05.pdf](http://www.thegef.org/sites/default/files/2023-05/GEF_IP_EcosystemRestoration_2023_05.pdf).

<sup>5</sup> See [www.thegef.org/sites/default/files/2023-05/GEF\\_IP\\_FoodSystems\\_2023\\_05.pdf](http://www.thegef.org/sites/default/files/2023-05/GEF_IP_FoodSystems_2023_05.pdf).

positive, resilient, inclusive and pollution-free. In most of the countries, the programme will contribute to combating forest loss and degradation by addressing the underlying drivers of unsustainability along the whole length of the food system, transforming and strengthening value chains, business models, incentive and finance frameworks and policy and institutional conditions. This integrated programme is expected to improve sustainable management through improved practices over 14 million hectares and mitigate the emission of 174 Mt CO<sub>2</sub>e of greenhouse gases.

9. Eight forest-related stand-alone projects (outside the above-mentioned programmes) in seven countries were approved by the Global Environment Facility Council during the reporting period. These projects are funded with \$62 million from Facility grants and are expected to leverage \$476 million in co-financing. In addition, new pledges have been announced totalling \$174.2 million for the Least Developed Countries Fund and the Special Climate Change Fund,<sup>6</sup> which are hosted by the Global Environment Facility, to support addressing climate resilience needs.

## **B. Green Climate Fund**

10. Forest finance at the Green Climate Fund falls primarily under the result area of forests and land use (one of eight result areas), while additional forest-related finance is delivered indirectly through several result areas related to adaptation – namely ecosystems and ecosystem services, livelihoods of people and communities, health and well-being, and food and water security. One of the comparative advantages of nature-related result areas such as forests and land use is that they contribute a wealth of non-climate benefits such as biodiversity, the provision of clean water and livelihoods for local communities. As of December 2023, the Fund had approved a cumulative \$1.812 billion worth of projects in the forests and land use sector. This result area includes financing for projects 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), including REDD-plus phase 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).

11. Since the previous reporting period, which ended in December 2022, the Board of the Green Climate Fund has approved 11 projects related to forests and land use, totalling \$572 million. Three projects are located in Africa, two in Latin America and the Caribbean, five in Asia-Pacific and one project is multi-regional. The multi-regional project covers 11 countries and has a budget of \$984.6 million, including \$189.35 million in grants and loans from the Fund. The Fund focuses on sustainable commodities by promoting higher productivity on agricultural land in countries that have important tropical forest resources, with the aim of decreasing pressure to clear forests for agricultural purposes. This helps reduce emissions and increase the resilience of local communities by financing the transformation of tropical agricultural commodity supply chains from extractive to sustainable practices. The projects achieve this through a blend of technical assistance and financial support to producers that includes conditions that necessitate the protection and restoration of existing forests by focusing on supply chains in sectors that drive deforestation, such as livestock, palm oil, soy, rubber, cocoa and forestry.

12. As of December 2023, the Green Climate Fund pipeline contained at least a further \$2.4 billion dedicated to forests and land use projects, with possible additional forest-related financing, including from the relevant adaptation-related result areas.

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<sup>6</sup> See [www.thegef.org/newsroom/press-releases/good-news-adaptation-donors-boost-support-ldcf-and-sccf](http://www.thegef.org/newsroom/press-releases/good-news-adaptation-donors-boost-support-ldcf-and-sccf).

Regarding REDD-plus results-based payments, the Board requested the Green Climate Fund's secretariat to prepare a new proposal on REDD-plus results-based payments. This was presented at the Board's 37th meeting in October 2023, but the Board was unable to reach a decision, so the item remains open for discussion at future Board meetings.

### C. World Bank

13. The World Bank announced that it would raise its climate target, aiming for 45 per cent of its annual financing to go to climate-related projects for the fiscal year from 1 July 2024 to 30 June 2025.<sup>7</sup> This increase in funding will add more than \$40 billion in annual financing – around \$9 billion more than previously.

14. The World Bank has announced ambitious plans for the growth of high-integrity global carbon markets, with 15 countries set to earn income from the sale of carbon credits generated from preserving their forests.<sup>8</sup> The 15 countries – Chile, the Congo, Costa Rica, Côte d'Ivoire, the Democratic Republic of the Congo, the Dominican Republic, Fiji, Ghana, Guatemala, Indonesia, the Lao People's Democratic Republic, Madagascar, Mozambique, Nepal and Viet Nam – are part of the World Bank's Forest Carbon Partnership Facility, which has supported pilot programmes since 2018 to establish efficient systems for carbon-crediting initiatives. Supporting five countries in 2024, the World Bank will work with governments and local communities to access carbon markets. By 2028, it is expected that all 15 Forest Carbon Partnership Facility countries will be in a position to interact with carbon markets.

15. By 2025, these countries will have produced over 24 million credits, and as many as 126 million by 2028. These credits could earn up to \$2.5 billion under the right market conditions, with much of that going back to communities and countries.<sup>9</sup> Thriving carbon markets have the potential to do the same for other countries in the long-term. The World Bank's intent is to work collaboratively to deliver solutions to expand liquid and transparent carbon markets. This includes working with private and public sector partners to implement integrity principles for buyers and sellers of credits, and to introduce common frameworks for organizations that validate and verify credits, such as independent credit rating agencies.

### D. Adaptation Fund

16. 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 \$1.1 billion to more than 100 countries.<sup>10</sup> It has increased support as needs have risen, offering countries flexible and innovative grant funding windows aimed at scaling up support and accelerating action, innovation, learning and sharing with regard to adaptation. The Fund's portfolio has a total of 164 climate change adaptation-specific projects in vulnerable communities of developing countries around the world, including eight small innovation grants. The approved projects are expected to benefit a total of 41 million people and protect or rehabilitate 635,296 hectares of natural habitats, among other results. Since 2010, the Fund has allocated more than \$165 million (or

<sup>7</sup> See [www.worldbank.org/en/news/press-release/2023/12/01/world-bank-group-doubles-down-on-financial-ambition-to-drive-climate-action-and-build-resilience](https://www.worldbank.org/en/news/press-release/2023/12/01/world-bank-group-doubles-down-on-financial-ambition-to-drive-climate-action-and-build-resilience).

<sup>8</sup> See [www.worldbank.org/en/news/press-release/2023/12/01/world-bank-carbon-credits-to-boost-international-carbon-markets](https://www.worldbank.org/en/news/press-release/2023/12/01/world-bank-carbon-credits-to-boost-international-carbon-markets).

<sup>9</sup> Ibid.

<sup>10</sup> See [www.adaptation-fund.org](https://www.adaptation-fund.org).

approximately 20 per cent of its portfolio) 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.

17. Implementing entities can apply for funding of up to \$20 million per country for single-country adaptation projects or programmes, for a maximum amount of \$10 million per project, or for a maximum of \$14 million for a regional project/programme (they are not mutually exclusive). In addition, national implementing entities can gain access to funding outside their country's cap for enhanced direct projects of up to \$5 million per project. Access to large innovation grants of up to \$5 million can be obtained by all implementing entities, and access to small innovation grants of up to \$250,000, learning grants of \$150,000 and project scale-up grants of \$100,000, respectively, can be obtained by national implementing entities only.

18. The Adaptation Fund has also been providing financial assistance to non-accredited entities through the Adaptation Fund Climate Innovation Accelerator.<sup>11</sup> Two of the Adaptation Fund's accredited multilateral implementing entities, the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP), have been administering the first phase of this programme. The Climate Technology Centre and Network, which is the operational arm of the United Nations Framework Convention on Climate Change Technology Mechanism, works in conjunction with UNEP as an executing entity in the Accelerator. Grantees can access funds of up to \$250,000 per project when aiming to address adaptation challenges in various thematic areas, including innovative nature-based solutions.

19. In addition, under its current medium-term strategy for 2023–2027,<sup>12</sup> the Adaptation Fund intends to establish a locally led adaptation facility to provide grant funding to all implementing entities as well as to non-accredited entities. The Fund's medium-term strategy continues to increase its efforts on 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 and on scaling up funded activities and results, while building on the Sustainable Development Goals and serving the Paris Agreement to help meet the challenge of climate change. Currently, the Fund has over \$425 million in project proposals in the pipeline and a steady stream of demand for its work in supporting the most climate-vulnerable through tangible adaptation projects and accessible innovative financing.

## **E. Twenty-eighth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change**

20. The twenty-eighth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change has provided renewed impetus regarding the need for global unity to increase financing to forests, and several pledges and initiatives for financing forests have been announced. During the Conference of the Parties, the Government of Brazil proposed the establishment of the Tropical Forests Forever fund,<sup>13</sup> with an initial fundraising target of \$250 billion, aimed at mobilizing large-scale financial resources to protect tropical forests, their biodiversity and the people who live in, protect and depend on these forests. The fund would serve as a financial instrument that would pay for standing forests, with contributions from

<sup>11</sup> See [www.adaptation-fund.org/apply-funding/innovation-grants/adaptation-fund-climate-innovation-accelerator-afcia](http://www.adaptation-fund.org/apply-funding/innovation-grants/adaptation-fund-climate-innovation-accelerator-afcia).

<sup>12</sup> See [www.adaptation-fund.org/document/medium-term-strategy-2023-2027](http://www.adaptation-fund.org/document/medium-term-strategy-2023-2027).

<sup>13</sup> See [www.wri.org/news/statement-new-tropical-forest-fund-needs-boost-just-transition](http://www.wri.org/news/statement-new-tropical-forest-fund-needs-boost-just-transition).



countries with sovereign wealth funds, among other investors. The fund would encourage conservation and strongly discourage deforestation and forest degradation. Brazil highlighted the urgent need for the creation of an innovative global instrument to remunerate the maintenance and restoration of tropical forests. The Catalytic Green Finance Facility of the Association of Southeast Asian Nations (ASEAN),<sup>14</sup> an initiative of the ASEAN Infrastructure Fund that supports governments in South-East Asia in preparing and financing infrastructure projects that promote environmental sustainability and contribute to climate change goals, announced a new initiative committing to the mobilization of \$1 billion from development partners, with the intention of mobilizing a further \$2 billion in additional private finance capital by 2030 for nature-focused climate projects. The Inter-American Development Bank (IDB) is planning to triple its direct and mobilized climate financing for Latin America and the Caribbean to \$150 billion over the next decade with the support of its member countries,<sup>15</sup> including through the anticipated recapitalization of its private sector arm. By reaching this goal, IDB would become one of the first multilateral development banks to fulfil the recommendation of the Group of 20 to triple climate financing.

## F. Loss and damage fund

21. The Conference of the Parties and the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement, at its twenty-eighth and fifth sessions, respectively, operationalized the loss and damage fund<sup>16</sup> as an entity entrusted with the operation of the Financial Mechanism of the Convention on Climate Change, which would also serve the Paris Agreement. The fund will be accountable to and function under the guidance of the Conference of the Parties and the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement. More than \$700 million had been pledged to the fund by the end of December 2023.<sup>17</sup> However, in 2022 the quantifiable economic cost in developing countries of extreme events such as cyclones and floods was greater than \$100 billion.<sup>18</sup>

## G. Global Biodiversity Framework Fund

22. The new Global Biodiversity Framework Fund was ratified and launched in August 2023 at the Global Environment Facility Assembly in Vancouver, Canada.<sup>19</sup> Initial contributions totalling more than \$200 million from Canada, Germany and the United Kingdom of Great Britain and Northern Ireland allowed for the operationalization of the Fund. Subsequently, Japan announced a contribution during the twenty-eighth session of the Conference of the Parties. Spain pledged further funding during the 66th meeting of the Global Environment Facility Council. The Global Biodiversity Framework Fund has been designed to mobilize and accelerate investment in the conservation and sustainability of wild species and ecosystems, whose health is under threat from wildfires, flooding, extreme weather and human activity, including urban sprawl. The new Fund will mobilize and disburse new and

<sup>14</sup> See [www.adb.org/what-we-do/funds/asean-catalytic-green-finance-facility/overview](http://www.adb.org/what-we-do/funds/asean-catalytic-green-finance-facility/overview).

<sup>15</sup> See [www.iadb.org/en/news/idb-group-aims-triple-climate-financing-over-next-decade](http://www.iadb.org/en/news/idb-group-aims-triple-climate-financing-over-next-decade).

<sup>16</sup> See <https://unfccc.int/loss-and-damage-fund-joint-interim-secretariat>.

<sup>17</sup> See <https://unfccc.int/process-and-meetings/bodies/funds-and-financial-entities/loss-and-damage-fund-joint-interim-secretariat/pledges-to-the-loss-and-damage-fund>.

<sup>18</sup> Julie-Anne Richards and others, “The loss and damage finance landscape”, discussion paper, May 2023. Available at [www.lossanddamagcollaboration.org/publication/the-loss-and-damage-finance-landscape](http://www.lossanddamagcollaboration.org/publication/the-loss-and-damage-finance-landscape).

<sup>19</sup> See [www.thegef.org/newsroom/press-releases/new-global-biodiversity-fund-launched-vancouver](http://www.thegef.org/newsroom/press-releases/new-global-biodiversity-fund-launched-vancouver).

additional resources from public, private and philanthropic sources, with a focus on the sustainability of biodiversity and ecosystems. As much as 20 per cent of its resources will support initiatives led by Indigenous Peoples to protect and conserve biodiversity. It will also prioritize support for small island developing States and least developed countries, which will receive more than a third of the Fund's resources. The Council of the Fund met for the first time in February 2024 in Washington, D.C., and reached agreement on how donor resources would be allocated and how projects would be designed and approved. The Fund is expected to begin funding projects related to nature loss and restoration by the end of 2024.

#### **IV. Developments related to the Global Forest Financing Facilitation Network since the eighteenth session of the United Nations Forum on Forests**

##### **A. Preparations for the midterm review of the international arrangement on forests in relation to the Global Forest Financing Facilitation Network**

23. In its resolution [2015/33](#), the Economic and Social Council requested the United Nations Forum on Forests to undertake a midterm and a final review of the effectiveness of the international arrangement on forests in achieving its objectives in 2024 and 2030, respectively. In accordance with resolution [2015/33](#) and the programme of work of the Forum for 2022–2024, the seventeenth session of the Forum, which took place in May 2022, considered and decided on the activities to be carried out in preparation for the midterm review of the international arrangement on forests in 2024. These activities are contained in 10 sections in the annex to Economic and Social Council resolution [2022/17](#). Section D of the annex to this resolution set out the preparatory work to be taken for assessing the work of the Global Forest Financing Facilitation Network. Two assessment reports were prepared by the consultants pursuant to section D: (a) an assessment on the status of existing resources for forests available from all sources, including private funding, as well as the gaps and constraints in gaining access to such funds;<sup>20</sup> and (b) an assessment of the performance, effectiveness, resource sufficiency and longevity of the Network, and other measures to strengthen its work.<sup>21</sup> These assessments were reviewed in an expert group meeting, which was convened in June 2023 at the United Nations Office at Nairobi. The meeting brought together experts from members of the Forum, member organizations of the Collaborative Partnership on Forests and regional and subregional partners, as well as major groups and other relevant stakeholders. The suggestions and proposals emanating from the expert group meeting were compiled in the Co-Chairs' summary.<sup>22</sup>

24. The assessments and proposals from the Nairobi meeting were further considered at the Open-Ended Intergovernmental Ad Hoc Expert Group on the Preparations for the Midterm Review of the International Arrangement on Forests convened from 10 to 13 October 2023 at the United Nations Office at Vienna.<sup>23</sup>

<sup>20</sup> See [www.un.org/esa/forests/wp-content/uploads/2023/10/MTR-D-Study-Existing-Resources-for-Forests-rev.pdf](http://www.un.org/esa/forests/wp-content/uploads/2023/10/MTR-D-Study-Existing-Resources-for-Forests-rev.pdf).

<sup>21</sup> See [www.un.org/esa/forests/wp-content/uploads/2023/05/MTR-Assessment-D-GFFFN-revMay2023.pdf](http://www.un.org/esa/forests/wp-content/uploads/2023/05/MTR-Assessment-D-GFFFN-revMay2023.pdf).

<sup>22</sup> See [www.un.org/esa/forests/wp-content/uploads/2023/07/Co-Chairs-Summary-NairobiEGM-06072023.pdf](http://www.un.org/esa/forests/wp-content/uploads/2023/07/Co-Chairs-Summary-NairobiEGM-06072023.pdf).

<sup>23</sup> See [www.un.org/esa/forests/wp-content/uploads/2023/11/AHEG-Co-Chairs-Summary-021123-Final.pdf](http://www.un.org/esa/forests/wp-content/uploads/2023/11/AHEG-Co-Chairs-Summary-021123-Final.pdf).



Detailed information on progress in the implementation of intersessional activities in preparation for the midterm review, including actions related to the Network, are contained in document E/CN.18/2024/5.

25. In the meantime, in response to some of the recommendations to address the issues raised, the secretariat of the United Nations Forum on Forests in the Department of Economic and Social Affairs has been taking steps to improve the Global Forest Financing Facilitation Network's efficiency in supporting countries and facilitating mobilization and access to increased financial resources for sustainable forest management. Particular attention is being paid to addressing the persistent challenges countries continue to face in accessing finance, including investment risks, different expectations among funding recipients and funding providers, insufficient coordination, lack of expertise in mobilizing financing, complex and costly project development processes, insufficient cross-sectoral engagement and lack of knowledge and data gaps. The strategy adopted also includes identifying potential high-impact areas that the Network could focus on to accelerate the implementation of its priorities and the achievement of the global forest goals.

## **B. Global Forest Financing Facilitation Network support to members of the Forum**

26. Since its establishment in 2015, the Global Forest Financing Facilitation Network has provided support to 39 countries and 3 subregional partners in designing national and regional forest financing strategies, respectively, and building capacity to access financial resources from existing multilateral finance entities and other sources. Since the eighteenth session of the Forum, the Network has continued to provide support to 15 countries and 1 subregion in collaboration with the accredited agencies selected by the countries. A summary of the key activities is provided below.

### **Algeria, Benin, Liberia, Togo and Zimbabwe**

27. The Forum secretariat completed the designs of the national forest financing strategies for Algeria, Benin, Liberia, Togo and Zimbabwe during the reporting period. Validation workshops were organized in all five countries, providing stakeholders with the opportunity to review and make final inputs into the national forest financing strategies. The final strategy documents were handed over to the respective lead agencies for formal adoption by their governments. In all the strategies, emphasis was placed on enhanced domestic resource mobilization from both the public and private sectors. Four of the countries (Algeria, Benin, Liberia and Togo) also completed the preparation of project concept notes for the mobilization of funding from multilateral sources (one to the Global Environment Facility and three to the Green Climate Fund) for some of the priority areas identified in the national forest financing strategies. The concept notes were prepared in collaboration with the accredited entities (the Food and Agriculture Organization of the United Nations (FAO), UNDP, the Sahara and Sahel Observatory and the National Fund for Environment and Climate Change of Benin) selected by the countries.

### **Burundi, Chad, Mozambique, Peru, Suriname and Uzbekistan**

28. The Forum secretariat began providing support to Burundi, Mozambique, Peru, Suriname and Uzbekistan in 2023. Analytical studies focusing on the status of forests, forest management and utilization, forest financing and the contribution of forests to food security, biodiversity conservation and climate change adaptation and mitigation were completed in each of these countries. The studies provide detailed baseline information required for the design and formulation of national forest financing

strategies that are aligned with national sustainable development strategies and national forest programmes and are responsive to priority issues identified through stakeholder consultations. The studies also provide the basis for the integration and coordination of forest-related commitments linked to multilateral environmental agreements, relevant Sustainable Development Goals, nationally determined contributions under the Paris Agreement, the global forest goals, the Global Biodiversity Framework and land-degradation neutrality targets, as well as relevant international and regional policy processes.

29. Inception meetings and capacity-building workshops on the design of national forest financing strategies and accessing finance for sustainable forest management from all available sources at the national and international levels were conducted in Mozambique, Peru and Uzbekistan. In total, 293 national experts drawn from the relevant government agencies, private sector and civil society organizations, academia and research were trained. Emphasis was also placed on ensuring gender equity and youth participation. Following the workshops, each country established a multidisciplinary task force to develop their draft national forest financing strategies with technical guidance from the Global Forest Financing Facilitation Network. The teams are also receiving technical guidance from the Network and their selected accredited entities with regard to the design and formulation of project concept notes for accessing funding from existing multilateral and other sources. Similar support will be provided to Burundi, Chad and Suriname during the first half of 2024.

#### **Amazon Cooperation Treaty Organization**

30. The Forum secretariat, in partnership with the secretariat of the Amazon Cooperation Treaty Organization, is currently supporting the development of a regional forest financing strategy aimed at strengthening the capacity of the Amazon subregion to mobilize resources from all possible sources for sustainable forest management. A capacity-building workshop on the design of regional forest financing strategies and mobilization was held and attended by experts from all member States of the Treaty Organization. Analyses of the situation and stakeholder consultations are under way. The design of the regional financing strategy will also take into account the forest financing priorities highlighted in the Belem declaration<sup>24</sup> that was adopted by members of Treaty Organization in August 2023.

### **C. New and outstanding requests for Global Forest Financing Facilitation Network support**

31. Since the eighteenth session, the Forum secretariat has received three new requests for Global Forest Financing Facilitation Network support from Burkina Faso, Mali and Morocco, while support to the Comoros and the Congo is still outstanding. Four of the countries requested support for the design of national forest financing strategies, and one requested capacity-building with regard to accessing financial resources from all sources for sustainable forest management. Support to these countries is expected to begin during the second half of 2024, subject to the availability of resources.

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<sup>24</sup> See <https://otca.org/en/get-to-know-the-belem-declaration-signed-by-the-amazon-countries-at-the-summit/>.

## D. Partnerships and joint activities

32. The Department of Economic and Social Affairs, represented by the secretariat of the United Nations Forum on Forests, participated in several partnerships and joint initiatives with international, regional and subregional organizations and governments as the manager of the Global Forest Financing Facilitation Network, some of which are discussed above. Some of the key partnerships and joint initiatives in which the Network has participated since the eighteenth session of the Forum are summarized below.

### Inter-Agency Task Force on Financing for Development

33. The Forum secretariat continued to participate in the Inter-Agency Task Force on Financing for Development. The main activities included participation in the preparations for the *Financing for Sustainable Development Report 2023* and in reviewing additional guidance notes of the Integrated National Financing Framework,<sup>25</sup> especially on climate finance and disaster risk reduction. The purpose of these notes is to complement the initial guidance prepared for the Integrated National Financing Framework building blocks<sup>26</sup> and to provide insights for countries prioritizing related issues.

### United Nations Decade on Ecosystem Restoration

34. The Forum 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. The main focus of the task force's work during the reporting period has been on the development of some of the capacity development and knowledge-sharing initiatives, including a global restoration economics and finance facility.<sup>27</sup> The aim of that initiative is to develop an international restoration finance facility across multiple sectors to build capacity and enable the development of restoration investment returns, bankable business plans and economic models to achieve desired benefits aligned with restoration activities and approaches. It is intended to address the bottlenecks in project development and funding that are reducing the scale and reach of restoration around the world. It is envisaged that the finance facility would operate at the global level and across different ecosystem types, but would also have regional approach. It would take advantage of opportunities where restoration can be scaled up, financed and made sustainable through the promotion of sustainable and inclusive value chains. FAO and the Global Forest Financing Facilitation Network have initiated discussions on the joint development of e-learning courses on restoration, including some modules on the main stages of the standards of practice for ecosystem restoration.<sup>28</sup>

### Global Mechanism of the United Nations Convention to Combat Desertification

35. The Forum secretariat and the Convention to Combat Desertification renewed their mutual collaboration in 2023 to develop and implement targeted joint activities relating to sustainable land and forest 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 of the United Nations Convention to Combat

<sup>25</sup> See <https://inff.org/resource/inff-technical-guidance-documents>.

<sup>26</sup> See <https://inff.org/inff-building-blocks>.

<sup>27</sup> See [www.fao.org/3/cc6592en/cc6592en.pdf](http://www.fao.org/3/cc6592en/cc6592en.pdf).

<sup>28</sup> See [www.decadonrestoration.org/publications/standards-practice-guide-ecosystem-restoration-summary-report](http://www.decadonrestoration.org/publications/standards-practice-guide-ecosystem-restoration-summary-report).

Desertification continued to collaborate in supporting Algeria, Malawi, 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, focusing on achieving forest landscape restoration and addressing desertification, land degradation and drought.

36. The Global Forest Financing Facilitation Network continued to collaborate with the Convention to Combat Desertification in supporting the secretariat of the Southern African Development Community (SADC), the African Union Commission and partners in the implementation of the SADC strategy for the implementation of the Great Green Wall Initiative<sup>29</sup> through project preparation, resource mobilization, political advocacy and engagement. Projects under the SADC Great Green Wall Initiative aim at developing financing for projects under six investment pillars that tackle 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 productivity and resilient food systems; and transformative economic and business development. The Network is also collaborating with the Global Mechanism in resource mobilization and related assessments for implementation.

#### **African Forest Forum**

37. The African Forest Forum is a pan-African non-governmental organization 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. In 2023, the African Forest Forum and the secretariat of the United Nations Forum on Forests launched a joint initiative aimed at developing and implementing targeted joint activities relating to sustainable land and forest management in Africa. Major areas of focus are the mobilization of resources to facilitate effective and efficient integration of forests and trees into Africa's sustainable development, and efforts to enhance the building of resilience for both people and terrestrial ecosystems. In August 2023, the Forum secretariat worked with counterparts in the African Forest Forum to provide capacity-building to SADC national experts on financing opportunities and challenges for REDD-plus initiatives.

#### **State Academy of the National Forestry and Grassland Administration of China: capacity-building in the implementation of the United Nations forest instrument and the United Nations strategic plan for forests 2017–2030**

38. In July 2023, at the request of the State Academy of the National Forestry and Grassland Administration of China, the Forum secretariat facilitated the participation of the Global Forest Financing Facilitation Network in a hybrid seminar on implementing the United Nations forest instrument and the United Nations strategic plan for forests 2017–2030. The Forum secretariat provided three days of training to 38 participants from Africa, the Asia-Pacific region and Latin America and the Caribbean. The training focused on sustainable forest management, the international arrangement on forests, the United Nations forest instrument and the United Nations strategic plan for forests, and forest financing opportunities.

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<sup>29</sup> See [https://unfccc.int/sites/default/files/resource/SADC\\_GGWI\\_Presentation.pdf](https://unfccc.int/sites/default/files/resource/SADC_GGWI_Presentation.pdf).

## **E. Resources leveraged for supporting the operation of the Global Forest Financing Facilitation Network**

39. The work of the Global Forest Financing Facilitation Network is funded mainly from extrabudgetary resources provided through the trust fund for the United Nations Forum on Forests by donor countries. Since the eighteenth session, the Department of Economic and Social Affairs has received \$287,410 from the Government of China and \$47,200 from the Government of Switzerland for Network activities managed by the Forum secretariat. Given the limited availability of resources within the regular programme plan, the Department has historically leveraged the regular programme of technical cooperation to shore up the activities of the Network and continues to explore the most effective way to leverage this source of funding in support of the Network. Since July 2023, the secretariat has mobilized \$376,000 for Network activities from the regular programme of technical cooperation for capacity-building.

## **F. Update on the development of the Global Forest Financing Facilitation Network clearing house**

40. Phase I of the Global Forest Financing Facilitation Network clearing house<sup>30</sup> was launched in 2021 with a website and three databases, namely for financing opportunities, learning materials related to mobilizing financial resources for forests, and good practices and lessons learned. Since the eighteenth session of the Forum, the Forum secretariat has continued to expand and improve the entries contained in the three databases. Over 60 entries on financing opportunities were updated with the most recent information, and new entries were added to all three databases. As of January 2024, the number of entries in the three databases had reached 315, of which 163 were about financing opportunities. The Forum secretariat also continued to publish quarterly highlights on forest financing, a communications product that was initiated in 2022 to disseminate information on forest financing and attract new users to the clearing house. By the end of 2023, seven quarterly highlight issues had been published.

41. Phase II of the clearing house will be launched at the nineteenth session of the Forum, and will feature a fourth database on 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. The database is being developed using the Unite web platform hosted by the United Nations, guided by a cost-effective approach. It will comprise a downloadable data set, an accompanying analysis of the data and a dashboard visualizing the data and analytical results. The data are collected from credible existing sources based on consultation with the member States, members of the Collaborative Partnership on Forests joint initiative on forest finance facilitation and other experts in the field. All data relevant to member States uses only official data or data acquired with permission for use from the respective country. Owing to the existing data gap, especially on domestic and private finance, the database will continue to be expanded and updated as more data become available.

42. In August 2023, a questionnaire was disseminated to national focal points of the United Nations Forum on Forests, partners and major groups with the aim of gathering feedback and suggestions to improve the clearing house phase I website, its databases and the quarterly highlights. The questionnaire was made available in English, French and Spanish. As of December 2023, a total of 17 responses had been received. Most respondents (15) assessed the clearing house as either “very useful” or “somewhat

<sup>30</sup> See <https://forest-finance.un.org/>.

useful”. Three respondents indicated that they had managed to mobilize resources using the information available on the clearing house.

43. Regarding barriers encountered when using the clearing house, respondents cited problems with Internet connectivity, difficulties using the filters to search the databases and a lack of awareness of the resources available on the website. Most of the suggestions for improvement focused on the need for greater visibility and promotion of the resources available on the clearing house, including through the use of social media, workshops, seminars and other avenues for sharing successful case studies, good practices and lessons learned on mobilizing financing for forests. More regular updates to the website were recommended, as was an expansion of the information on financing opportunities for non-governmental and civil society organizations.

44. Based on the feedback to the questionnaire, a series of improvements to the website are being contemplated as part of phase II of the clearing house. These will include a refreshed home page that clearly showcases the latest updates to the website and databases, as well as ongoing efforts to update the databases and include more information on financing opportunities for non-governmental and civil society organizations.

45. By 31 December 2023, the cumulative number of users of the clearing house website had reached nearly 22,000 in 190 countries, and the total page views had exceeded 37,000.

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

46. 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. From its fourteenth to eighteenth 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 eighteenth session of the Forum. Since then, informal discussions have taken place, and a common understanding has been reached regarding the nature of the proposed office and its scope and functions. Building on this common understanding, the draft memorandum of understanding and a draft host country agreement were further reviewed by both sides to reflect the new developments. The fifth round of consultations is expected to be held prior to the nineteenth session of the Forum and an update on the results of this round will be presented during the session.

## **V. Conclusion**

47. Despite the significant increase in forestry-related official development assistance to about \$1.5 billion annually by 2021, funding from all sources still falls far short of the amount needed to achieve sustainable forest management, which is estimated at anywhere between triple the current level to \$400 billion annually by 2030. It is therefore critically important to maintain the momentum of mobilizing resources from all sources to reach the desired levels. At the same time, significant challenges persist for developing countries and countries with economies in transition, which are trying to access existing and available funding at the national and international levels. These include a lack of information on available and emerging sources; a lack of information on ways to access funding pledged by various



initiatives; a lack of resources; limited technology and capacity to mobilize resources from potential national and international sources; and a lack of an enabling environment for attracting private and public investment in sustainable forest management. In this regard, there is a need for an increase in financial and human resources to the Global Forest Financing Facilitation Network to enable the Network to adequately provide the support needed to countries to improve their access to financial and other resources for sustainable forest management.

48. Global financing sources for forests, in particular multilateral sources, have been directed to addressing the comprehensive global challenges humanity is facing, rather than directly funding forests. This ongoing trend of the past decade is more predominant now than ever before, as demonstrated through the programming of the recent Global Environment Facility cycles and other multilateral funds, as well as the emergence of the Global Biodiversity Framework Fund and the loss and damage fund. This has meant that, more and more often, accessing funding for forests requires intersectoral approaches that are more complex and require effective coordination mechanisms and enabling institutional frameworks that are not readily available in most developing countries.

49. The resources available to the Global Forest Financing Facilitation Network have decreased compared with previous years, while the demand for Network support has been increasing. To address these challenges, the Forum secretariat has revised the strategic approach of the Network to improve its efficiency and maximize its impact. The new strategy considers recommendations made following the assessment of the Network in the context of the midterm review of the international arrangement on forests, the common challenges countries continue to face in accessing finance and the potential high-impact areas that the Network should focus on to accelerate achievement of the global forest goals and the contribution of forests to the achievement of the Sustainable Development Goals.

50. The nineteenth session of the United Nations Forum on Forests will provide an excellent opportunity for members of the Forum and stakeholders to foster implementation of the commitments made in the United Nations strategic plan for forests 2017–2030 and strengthen efforts to mobilize resources from all sources for forests. It will also provide a unique occasion for the Forum to take effective steps to strengthen the Global Forest Financing Facilitation Network to continue to provide support to members of the Forum to advance the implementation of sustainable forest management.