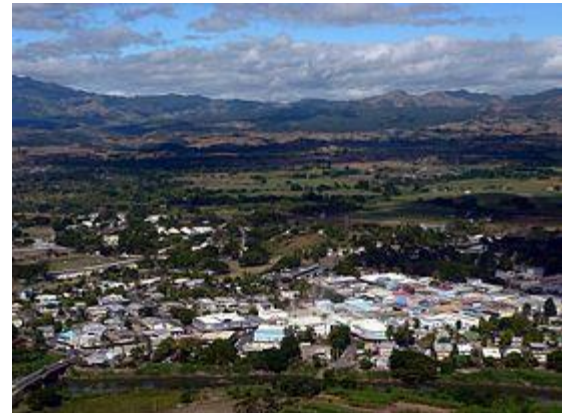


United Nations Forum on Forests

Second Facilitative Process Workshop on Forest Financing in Small Island Developing States 24 – 27 July 2012



The objectives of the workshop

- To validate the findings of the preliminary studies which were to identify gaps, obstacles and opportunities in financing Sustainable Forest Management (SFM) in Small Island Developing States (SIDS)
- to initiate a network of forest financing stakeholders in SIDS and at the international level.

Participants

- 56 experts from twelve (12) SIDS and LFCCs
- Dominica , Fiji, Grenada, Mauritius, Grenada, Mauritius, Niger, Papua New Guinea, Samoa, Seychelles, Suriname, Trinidad and Tobago, Tuvalu and Uruguay), the Secretariat of the UNFF and the Secretariat of the UNCCD, including the Global Mechanism, the Economic and Social Commission for Asia and the Pacific's (ESCAP) Pacific Office (EPO), civil society and academic participants from Fiji, and co-chairs from the previous workshops

Structure of Workshop

- Day 1 - Field to the Fiji Water Plant in northern Viti Levu
- Day 2
 1. Opening Ceremony which included welcome addresses from the Minister of Primary Industries, UNFF, UNCCD and ESCAP
 2. Election of Co-Chairs
 3. Presentations/Reports
 - UNFF Facilitative Process and the SIDS-LFCC Project
 - Forest Financing in SIDS: An Introduction
 - Tehran Workshop on forest financing
 - Niamey Workshop on forest financing in LFCC
 - Port of Spain Workshop on forest financing in SIDS
 4. Panel comprising UNCCD and UNEP

Day 3

- Brief Summary of Day 2
- GIZ and GTZ
- Forest Financing through GEF
- Regional Organization and Processes – ESCAP, Secretariat for the Pacific Community and USP
- Trinidad and Tobago Green Fund
- The future We Want: A Pacific/SIDS Focus and Opportunities for Forests
- Regional approach to financing SFM in the Pacific
- Holistic Approach to Forest Financing
- Participants were split into working groups for introductions and work in relation to forest financing
- The case of Fiji: Presentation of forest financing from a national perspective
 - Forest Financing in Fiji
 - Forest Financing and Conservation International
 - The Nadi River Basin

Day 4

- Brief Summary of Day 3
- Working Groups session – What are the obstacles, gaps and opportunities to forest financing in your countries?
- Each group did 5-10 minutes presentation
- Working Groups session – What institutional changes can be made to fill gaps and address obstacles and harness opportunities to forest financing

Day 5

- Brief Summary of Day 4
- Expert Panel: Scaling up national experiences
– forest financing issues common in SIDS
- The way forward : recommendations for increasing forest financing in SIDS
- Conclusion of workshop
- Closing Ceremony

Field Trip

- The field trip was organized and funded by the Ministry of Primary Industries.
- **First stop** was the Fiji Water Plant located on the northern side of Viti Levu
- The plant provides employment for 252 persons
- Production -42,000 bottles per hour
- The water source is from an aquifer located near the plant and access is via a 60 metre bore hole
- The aquifer which is covered with a 10 hectare forest is constantly monitored for sustainability
- Royalties are paid to landowners for maintaining the forest
- There is F\$0.15 tax on each bottle of water produced
- **Second Stop** was at the Tropik Wood Industries Ltd plant.
- The plant processes a stand of Caribbean pine (*Pinus caribaea*) born from an environmental rehabilitation project funded by Australia and New Zealand in the 1960s.
- Local landowners lease their land to the operating company.
- The timber produced goes mainly to domestic markets
- There are plans to sell the resin from the pines to the United States as an adhesive.

- Mr. Benjamin Singer of the UNFF Secretariat presented an overview of forest financing and the UNFF process and emphasized the importance of establishing the Ad Hoc Expert Group (AHEG) and the Facilitative Process (FP) as the two main mechanisms of the UNFF work plan on forest financing.
- Forest financing requires that funds be allocated for the implementation of sustainable forest management (SFM)
- SFM is an evolving concept that is aimed at maintaining and enhancing the economic, social and environmental values of the forests which are beneficial to both present and future generations.
- SFM is critical to all sectors of the economy

- The first activity under the FP is a project financed by the GEF and UK's Department for International Development (DFID) on Supporting Financing of SFM in SIDS and LFCCs and this began with a study which aimed at identifying gaps, obstacles and opportunities in financing SFM in SIDS and LFCCs. The Fiji workshop was part of the second component of the project, and aimed at validating the results of the study as well as the creation of a practitioners' network on forest financing in SIDS.
- In presenting the results of the first component, Dr. Singer focused primarily on the results relevant to SIDS, and in particular on
 - the drop in forest financing in SIDS at the global level, and
 - the skew of external funding towards a small number of countries.

- In the presentation on “Financing Sustainable Forest Management: A Comprehensive Approach to Resource Mobilization at Country Level” by Ms. Larsen – constraints and action were addressed
- Constraints – SFM was not a national priority, there is weak coordination and collaboration, inadequate legal and institutional framework and also the lack of capacity to access the relevant sources of finance and the mechanisms for this financing.
- Action required – contribution of forests to GDP, the need to strengthen the inter sectoral coordination and collaboration and SFM as a national priority

- Mr. Jonathan Gilman’s presentation was “GEF Financing to Forests” – this presentation spoke to the “green economy” and provided detailed information on forestry and funding from GEF.
- Accessing the GEF funds by SIDS is still somewhat challenging.

Highlights of Discussion

- forest financing and SFM include trees outside of forests
- the importance of the non-financial values of forests and of non-timber forest products (NTFPs) was also essential to forest financing.
- Over the years SIDS experience a decrease in forest financing. (Funding exists but it is not directed at forests).
- the need to consider the important contribution of Rio+20 to forest financing was stressed by UNESCAP.
- Rio+20 is a global consensus on global development and forest financing efforts should be located within this broader development agenda framework provided by Rio+20.
- climate change should also serve as an overarching objective in trying to address both forest financing and sustainable development

- With regards to REDD+, it was pointed out that larger developing countries have a comparative advantage in attracting funds from UNREDD, the Forest Carbon Partnership Facility (FCPF) and other sources of REDD+ funding.
- The complexity of the process and the burden of sourcing funds – preparing project proposals for GEF funding for instance places a burden on SIDS due to the lack the capacity to develop and submit project funding proposals.
- Capacity building is a critical need to address the MRV (Monitoring, Reporting and Verification) process that demands that SIDS have the proper capacity in place to be able to attract funding from UNREDD.
- regarding the UNFF Secretariat as a donor for forest financing, it was emphasized that the role of the UNFF is a facilitative and catalytic one, working with funding agencies.

Group Discussion

What are the gaps, obstacles and opportunities to forest financing in your countries, focusing on the local, national and regional levels?

GAPS

- Lack of capacity – both technical and human within forest agencies and financial re processing of funding opportunities
- Lack of policy and legislative framework for forest financing – where there exists policy- no implementation and enforcement
- Budgets cover recurring costs but no additional capital funding, making it difficult to plan forest management
- Lack of data on forest resource and value and the potential of the revenue flow from forests;
- Lack of information about forests and their potential and contribution to sustainable development

- Private sector involvement is critical
- Coordination, collaboration - consultative processes at all levels are essential
- The lack of consultation within and between ministries leads to decision making that can negatively impact on forests or duplicate mandates
- Need to have a one stop shop concept for accessing funds
- Lack of incentives to private sector for improvement to or projects aimed at SFM
- Lack of public awareness on the value of trees and forests

OBSTACLES

- Lack of coordination and collaboration among ministries and key players for financing
- Limited availability of appropriate data/information on forest financing
- Too much bureaucracy as it pertains to procedures and processes to access international donor funds
- Prioritization of forests by SIDS when faced with other critical/pressing issues such as food security and poverty alleviation
- Creation of land use policy
- Lack of political will

Opportunities

- Building staff capacity to access international funding
- Transfer of success stories from countries
- Improve collaboration and coordination among sectors, ministries, NGOs, local, regional and international agencies

- New funding opportunities exist – fees, licenses, royalties (the challenge here is how to get the revenue to FORESTRY since the revenue generated goes to the Consolidated Fund to be shared among ministries)
- Review licensing arrangements for replanting forests

**What Institutional
Changes can be made to
fill gaps, address
obstacles and harness
opportunities to forest
financing?**

- The need to have political will
- Develop a communication strategy that conveys the multiple values of forests and tress outside forests (economic, social and environmental) .
- Provision of training to improve/strengthen the capacity at national level for preparation of funding proposal, project implementation, monitoring and evaluation.

- Also need to cross train staff on mainstreaming SFM.
- Address the heavy bureaucracy for accessing funds – simplify the administrative processes and procedures for SIDS
- Establish national focal point committee in an effort to improve the coordination and collaboration

Collaboration and Partnership

- Countries and regional organization urged to support south-south cooperation and exchange experiences with SIDS and LFCCs on forest financing
- Provision of support for forest education and research initiatives in SIDS and LFCCs by UN Systems, Member states and regional organizations

- Call upon national, regional and international organisations and Member States to further build upon the UNFF Facilitative Process by developing a network of experts on forest financing in SIDS and LFCCs at national and international levels
- Noting the connection between SFM and livelihoods Member States to empower local groups, communities and indigenous peoples through facilitating and providing forest financing programmes, projects and initiatives in SIDS and LFCCs.

Cross Sectoral Approach

- UNFF and Member States will prioritise valuation of forest goods and services
- Promote inter-ministerial collaboration through the creation of a cabinet appointed committee to develop cross sectoral and cross institutional budget
- The above will also assist with the promotion of data collection, management and generation of this information at the national level

- Having identified the connection between forests and oceans in SIDS and Member States, regional organisations and the United Nations will adopt a ridge-to-reef approach to both SFM and SLM.

Sources and Access to Forest Financing

- Member States to commit to improve the enabling environment for business and industry as it pertains to National Forest programmes and encourage private sector to invest in SFM
- Member States requested UNFF to seek an agreement on the means to support SIDS and LFCCs in capacity building for forest financing, including calling for FAO to pilot an implementation project based on the Forest Financing Sourcebook
- The UNFF urges the CPF, in collaboration with the UNFF Secretariat, to internalise natural resources into the process leading to the post-2015 Development Agenda.

- UNFF Member States strongly urge donors, both bilateral and multilateral, to streamline and simplify the procedures and processes to access forest financing for SIDS and LFCCs, in particular given the vulnerability of their economies and ecosystems;
- The 193 UNFF Member States emphasise to governments and UN agencies that fiscal policies and programmes are required to create systemic and long-term support for forests, including an integrated approach to the economic, social and environmental aspects of forests.

DANKE

Vielen
Dank

**THANK
YOU**

Gracias

धन्यवाद

Merci