

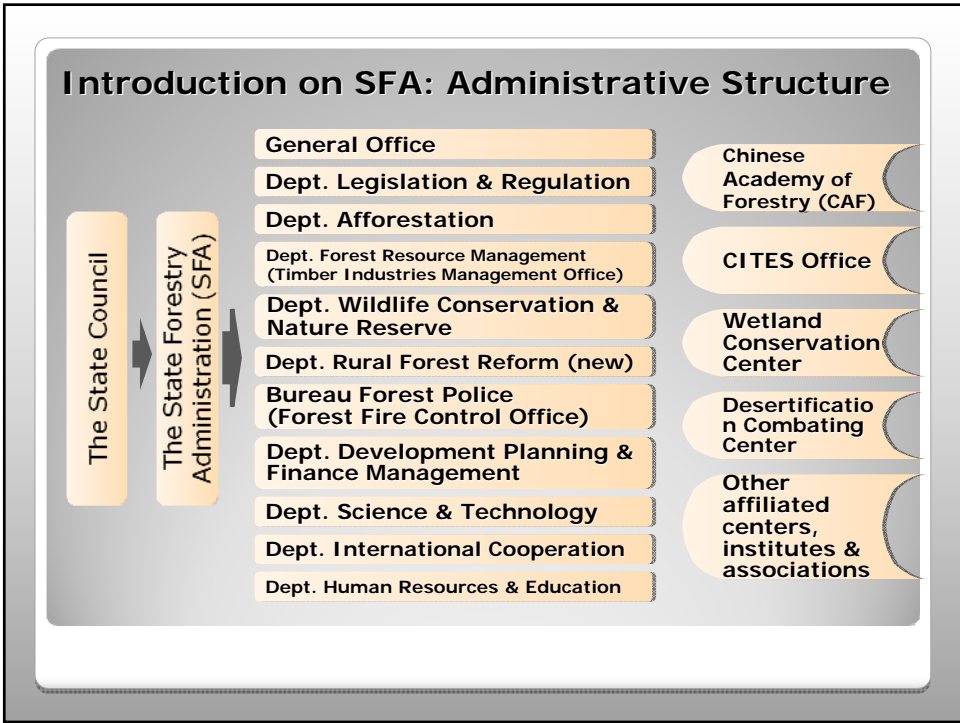
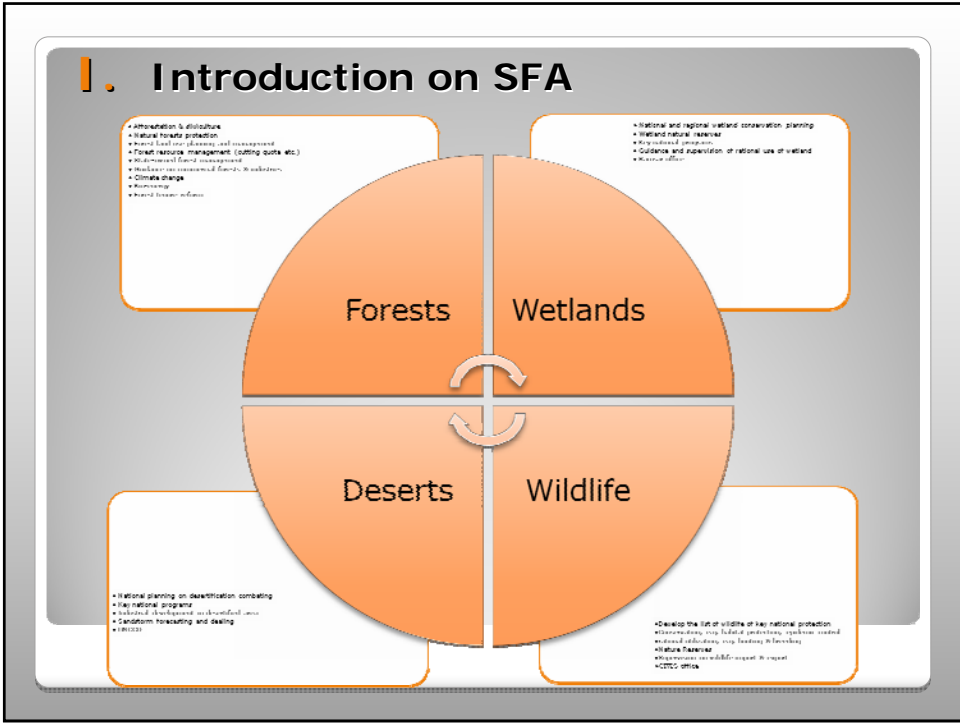
Thinking of Forest Financing

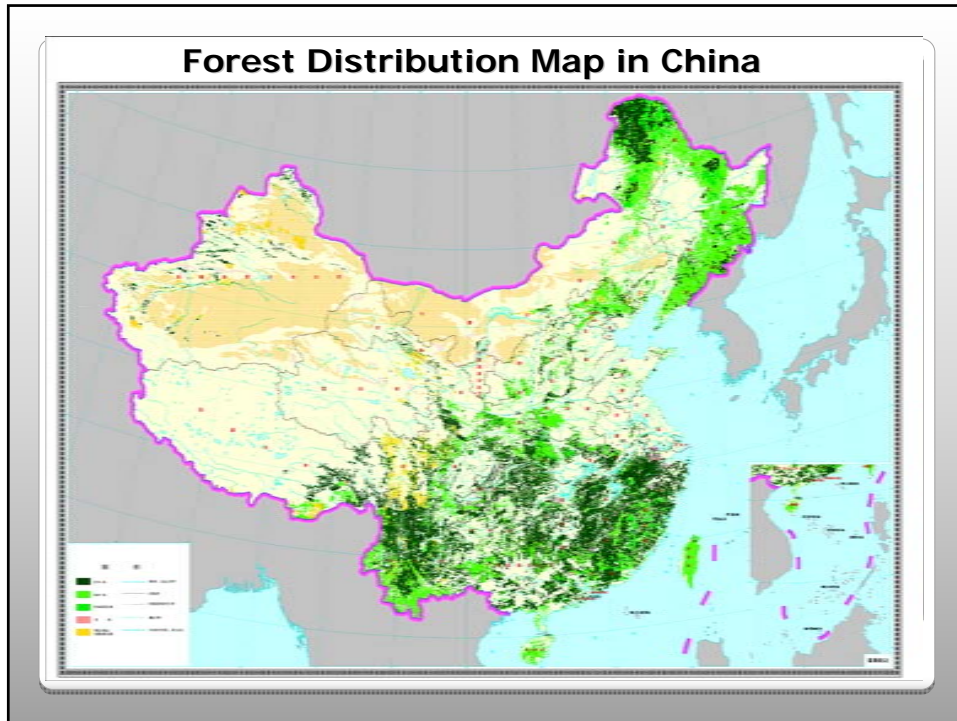
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II . Forest Financing in China

1. The composition of forest financing in China

- **public sector funding**
- **private sector financing**
- **foreign investment**
- **a special mechanism**

II. Forest Financing in China

- **public sector funding**
 - ★ **central government**
 - infrastructure investment
key program, breeding, forest fire prevention, forest pest and disease control, forest police, technology and education, etc.
 - financial subsidy
forest compensation, wetland conservation, poverty alleviation, disaster rescue, reform subsidy, afforestation and forest thinning subsidy, science and education, loan interest subsidy, administrative business fee, etc.
 - ★ **local government**

II. Forest Financing in China

- **private sector financing**
 - **banks**
loan for timber land and pulp, wood based panel, forest tour, etc.
 - **enterprises**
forest industry
 - **social**
greening contribution

|| . Forest Financing in China

➤ **foreign investment**

→ **international organizations**

loan and grant-in-aid for ecological forest and poverty alleviation, WB, ADB, FAO, GEF, etc.

→ **foreign governments**

loan and grant-in-aid for ecological forest and poverty alleviation, Japan, Germany, EU, etc.

→ **foreign directly investment**

business investment of foreign companies for forest industry

|| . Forest Financing in China

➤ **a special mechanism--national compulsory tree-planting**

12.11 billion person-time participated compulsory in tree-planting since 1978 and 56.33 billion trees planted, include president and other national leaders have plant trees every year.

||. Forest Financing in China

2. The sectors involved in forest financing in China

➤ **Government**

The State Council, National Development and Reform Commission, Ministry of Finance, Ministry of Commerce, State Forestry Administration, etc.

➤ **social institutions**

banks, enterprises, China Green Foundation, NGOs, donors, etc.

||. Forest Financing in China

3. Main experiences

➤ **Government** attaches importance to the forest, the high level commitment for forest, sectors combined support forest.

➤ **Emphasizing** the integrated forest function on ecological, economic and social. Based on the forest function assessment and regionalization. government--ecological, enterprise--forest industry, social--people's livelihood and harmonious.

➤ **Opening**

➤ **Financing** managed strictly, significant achievement, sustainable

III. Thinking of the global forest financing

1. Recognizing the forest important roles in the global sustainable development

- this is the basis for the establishment of the global forest financing

Ecological role: playing ecological functions of forests, soil conservation, water quantity and quality conservation, clean air, biodiversity, etc.

Sequestering carbon role: Forest absorb carbon dioxides, wood products store carbon, forest carbon sequestration.

Economical role: timber industry, non-timber products, promote local economic development.

Social role: increase employment and income, improve living environment.

Cultural role: recreation and culture, raise awareness of ecological protection and sustainable development.

|||. Thinking of the global forest financing

2. Defining objectives and develop action plans for the global forest development.

base on the above 5 forest roles, we can define the global forest development objectives, further develop specific action plans.

|||. Thinking of the global forest financing

3. Depending on the action plans to develop the forest financing programs

Ecological: rely on governmental funds.

Carbon Sequestration: rely on governmental and social capital.

Economical: depend on enterprise funds.

Social: social contributions and national obligations.

Cultural: jointly funded by the government and society.

IV. Suggestion on the global forest financing

1. Assessment of the sustainable forest management level and financing need

Based on the country's assessment data of SFM level and the need on forest financing.

The aim is answering where and what the forest financing can support.

IV. Suggestion on the global forest financing

2. Assistance is not limited to funds, but also including technology, intelligence and other means

3. In the current bilateral economical aid funding mechanism, the government of providing aid and receiving aid should commit that the part of aid must be used for forest development.

IV. Suggestion on the global forest financing

4. Establishment of multilateral funding mechanism for the forest

Global Forest Ecological Fund: the main source from the new and additional financial resources from national governments and international organizations.

Forest investment and trade facilitation mechanisms: facilitating the large-scale capital from enterprise, bank and other aspects can capitalize into the forest areas.

IV. Suggestion on the global forest financing

Forest carbon trading market: the use of financial instruments and functions of forest response to climate change, a new financing platform will be created.

Compulsory tree-planting action: the earth has not the forest, not everything, both the developed and developing countries should advocate a nationwide compulsory tree-planting action.

Forest Cultural Foundation: sourced from international organizations and the community donor, to improve the people's awareness of forest protection and sustainable development.

I V. Suggestion on the global forest financing

5. Monitoring and Assessing

UNFF should set up a special institution to manage and operate the different parts of forest financing mechanism and report to member states on its operation.

