

Co-Chairs' Summary
Expert Group Meeting
Clearing House of the UNFF Global Forest Financing Facilitation Network (GFFFN)
9-11 January 2019, UNHQ-NY

Introduction

- 1 The Expert Group Meeting on the Clearing House of the UNFF Global Forest Financing Facilitation Network (GFFFN) was held from 9 to 11 January 2019 at UN Headquarters in New York. The meeting was attended by 60 experts from Member States, CPF member organizations, NGOs and academia, with expertise from different fields, including forest financing, data collection, data sharing, website design and management. The main objective of the meeting was to discuss and identify the requirements, components and categories of information for the development of a comprehensive database on forest financing opportunities, building on and adding value to existing databases from CPF members and other sources.
- 2 The meeting was opened by Mr. Juwang Zhu, Officer-in-Charge of the UNFF Secretariat, DESA who welcomed participants to UN Headquarters. Following the election of Mr. Thomas Baldauf from Federal Ministry of Food and Agriculture, Germany, and Mr. John Leigh, Executive Director, National Forest and Wildlife Service (SERFOR), Peru, as the Co-Chairs of the expert group meeting, the Co-Chairs invited Mr. Zhu to make opening remarks.
- 3 In his opening remarks, Mr. Zhu referred to the groundswell of support for forest financing, which began in 2015 with the adoption of the 2030 Agenda for Sustainable Development with a dedicated goal (SDG 15) on terrestrial ecosystems and target 15.b on financing for sustainable forest management and the adoption of the Addis Ababa Action Agenda, and culminated in 2017 with the adoption of the UN Strategic Plan for Forests 2017-2030 by the UN General Assembly with six Global Forest Goals, including Global Forest Goal 4 on forest financing. He indicated that financing for sustainable forest management has been a challenge for many decades. He pointed out that an equally important challenge has been the lack of knowledge and data on how to access to existing funding and identifying funding opportunities. The Clearing House (CH) is one of the key functions and priorities of the UNFF's Global Forest Financing Facilitation Network (GFFFN), which will serve, inter alia, as a database on existing, new and emerging financing opportunities and as a tool for sharing lessons learned and best practices from successful projects. Mr. Zhu noted that the GFFFN CH would serve as an important building block for the solution to the existing challenges related to SFM financing. He emphasized that accomplishment of the mandate of the CH depends upon close and continued collaboration among CPF members and all relevant stakeholders. He also stressed that development of the CH should take a step wise approach, avoid duplication by building on the experiences of existing databases, and fill information gaps.

Setting the scene

- 4 Mr. Hossein Moeini-Meybodi, UNFF Secretariat, provided a brief overview of the context of the discussion for the expert group meeting. He stated that the Global Forest Financing Facilitation Network (GFFFN) was established in 2015 under the auspices of the United Nations Forum on Forests (UNFF) by the United Nations Economic and Social Council (ECOSOC resolution 2015/33). The priorities of the GFFFN were later adopted in the United Nations Strategic Plan for Forests (UNSPF) adopted in 2017.
- 5 The GFFFN priorities are:
 - a) To promote and assist members in designing national forest financing strategies to mobilize resources for sustainable forest management, including existing national initiatives, within the framework of national forest programmes or other appropriate national frameworks;
 - b) To assist countries in mobilizing, accessing and enhancing the effective use of existing financial resources from all sources for sustainable forest management, taking into account national policies and strategies;
 - c) Serve as a clearing house and database on existing, new and emerging financing opportunities and as a tool for sharing lessons learned and best practices from successful projects, building on the Collaborative Partnership on Forests online sourcebook for forest financing;
 - d) Contribute to the achievement of the global forest goals and targets, as well as priorities contained in the quadrennial programmes of work.
- 6 All these priorities are of equal importance. In 2018, the resolution adopted during the thirteenth session of the UNFF, requested the UNFF Secretariat, in consultation with interested members of the Forum and members of the Collaborative Partnership on Forests, to initiate development of the Network's online clearing house mechanism referred to in the guidelines, bearing in mind the benefits of a step-wise approach...". The GFFFN Guidelines, which were also adopted at UNFF13, further stipulate that the Secretariat should develop, without duplicating existing efforts, the Clearing House (CH) in consultation with interested members of the CPF, with a view to providing:
 - a) A comprehensive up-to-date database on forest financing opportunities from all sources for sustainable forest management, drawing and building on existing initiatives and sources of information, including information on procedures for accessing resources;
 - b) A web-based interactive platform for the exchange of data, lessons learned and best practices among users, including, for example, on project conceptualization and;
 - c) A source of data for assessing progress on target 15.b of the Sustainable Development Goals and Global Forest Goal 4.

Agenda item 4: existing clearing houses and databases

- 7 The Co-Chairs invited Ms. Jan McAlpine, UNFF consultant, to present her paper on: Finding Finance for Forests: An Overview Survey of Known Sources. Ms. McAlpine shared the results of the survey that she conducted. Regarding the CPF Sourcebook, she pointed out that much of the information in the Sourcebook was no longer relevant and had not been updated since 2011. She noted that information contained in the Sourcebook primarily consisted of names and websites of financing sources. In this regard, she recommended that the GFFFN CH could include greater detail, including specific funding areas for types of forests, specific range of funding available, and steps to access the funding. She also noted the importance of mapping finance by source, theme and geographical distribution.
- 8 Gaps in financing could also be identified in the future.
- 9 In response to Ms. McAlpine's presentation, the expert from FAO clarified that the initial objective of the CPF Sourcebook was to address information gaps and mobilize resources. The CPF Sourcebook was first developed as a project, and key challenges had related to gathering data and maintaining it, including difficulty in identifying those resources that were specifically allocated to "forests", as often resources allocated to forests were mixed with other sectors. One of the lessons learned from the CPF Sourcebook, was that CH should employ a "bottom-up" approach in collecting data and information.
- 10 Experts at the meeting noted that CPF Online Sourcebook was considered an innovative initiative when it was first developed in 2001 and recognized that the initiative had faced various challenges including a lack of funding, which eventually led to it becoming stagnant and out of date.
- 11 In further reflecting on the presentation of Ms. McAlpine, experts indicated that in developing the CH, it is essential to take into account that:
 - a) CH of the GFFFN should have its own niche and not compete with other clearing houses or duplicate their functions
 - b) An added value of CH of the GFFFN is its focus on serving Member States of the UN Forum on Forests as the primary beneficiaries of the CH.
 - c) Countries are the main users of the CH and their information needs should be the basis for the types of information and data that are to be included in the CH.
 - d) Consistent with the Network's operational guidelines, maintaining and updating the CH should not entail new national reporting requirements.
 - e) Building the CH is a complex process and requires focusing on key priority issues. Thus, it is imperative to have a step-wise process, starting with something simple in the first phase and building on gradually in the subsequent phases.
 - f) In this regard, the CH may need to have a notional timeline for operationalization.

- g) No one size fits all – forest financing gaps and needs of countries are very different. Therefore, the CH should focus on forest financing opportunities, gaps and needs at the global level.
 - h) The CH should create value for both data users and providers, should have a long-term vision, and take a needs-based approach.
 - i) In developing the CH, there should be a forward-looking approach, while benefiting from the past experience of other CH mechanisms and databases.
 - j) The CH should enhance transparency and avoid double counting of funding sources and reporting.
 - k) Examples of successful databases should be identified to assist in the design of the CH.
- 12 The discussion highlighted following challenges which could impact and limit the level and type of information that could be included in the CH:
- a) It is difficult to identify specific forest financing with the increased integration of programming by donors, reflecting forests in the context of food security, landscapes/mosaics, climate change, biodiversity and other sustainable development issues.
 - b) Governing bodies/funding organizations have their own requirements and procedures.
 - c) For many donors, the quality of projects is an important factor in funding of projects.
 - d) For many recipients, the continuity of funding for projects and project follow up is important.
 - e) Designing websites, updating and maintaining databases is complex and costly. Lack of resources and demonstration of accountability and credibility could lead to failure in timely updates and maintenance of information.
 - f) Private finance for forests is hugely important and information on these funding opportunities should be included in the CH.
 - g) A key challenge in accessing private sector financing, including e.g. pension funds, is that they often have higher financial, governance, transparency standards which not all countries can easily meet.
 - h) Private sector companies tend to be risk averse. Blended private-public financing is a growing area of finance which aims to reduce risks and attract investors. It was further noted that there are big differences in public and private finance, and these types of finance serve different purposes, e.g. loans vs. grants.
 - i) There is a lack of bankable projects from developing countries. Many countries are not attractive to the private sector due to low forest cover, degraded forests, poor governance and lack of a stable enabling environment for investors.

Agenda item 5: Proposals for initiating and operationalizing the CH: Users, needs, and information providers

- 13 Under this agenda item, Mr. Juergen Blaser, UNFF consultant, was invited to make presentation on his paper on: Proposals for Initiating and Operationalizing the Clearing House of GFFFN. He stated that under UNFF, a lot of work on forest financing has been done in the past and could provide useful background for the CH of the GFFFN. He further pointed out that forests are currently part of broader development topics and funding priorities, e.g. climate finance, biodiversity, agriculture, and forest land restoration (FLR).
- 14 After Mr. Blaser's presentation, experts highlighted the following points:
- a) Maintenance of the CH is a major challenge and requires dedicated resources and regular updates.
 - b) It is important to start the CH process with realistic aims in collecting information and data.
 - c) A single focal point for the CH of the GFFFN per country/organization should be responsible for updating and maintaining their information in the CH database.
 - d) The CH has to be easy to use and should have a user-friendly design and easy access.
 - e) The CH should map existing global funding from all sources on forests, including information on how to access these funds.
 - f) Much of the information and data from the CH could also be used for developing and updating national forest financing strategies, which is a GFFFN priority. At the same time, data and information on financial flows and gaps acquired during the development of national financing strategies can contribute to the CH database.
 - g) It is important to engage with funding providers and funding recipients, including accredited entities.
 - h) Data provision is voluntary in nature. Information providers can be funding providers, funding recipients, CPF member organisations, as well as other relevant organizations.
 - i) The quality of data is very important.
 - j) Donors and recipients would provide different types of information.
- 15 In conjunction with the discussions under this agenda item, Ms. Annelise Parr, from International Aid Transparency Initiative (IATI) made a presentation on the work of her organization. The IATI website currently includes aid information on over a million projects from 908 organizations. IATI has an operational budget of 2.8-3 million annually, and a Secretariat with 12 staff members based in UNDP, UNOPS, and a UK-based NGO. She expressed IATI's willingness to contribute to the GFFFN CH and share their experiences. Ms. Parr's presentation was welcomed by all experts and the participants thanked her for providing valuable information which would be useful for the process of developing the CH of the GFFFN.

Agenda item 6: Proposals for initiating and operationalizing the CH: Contents, components, categories, requirements and standards of information

- 16 Mr. Juergen Blaser, UNFF consultant presented his key proposals for initiating and operationalizing the clearing house in which he enumerated a list of financing sources and suggested adopting a hierarchy of funding opportunities that would be included in the CH in a step-wise approach as per the GFFFN Guidelines. He noted that providing comprehensive information on a handful of currently relevant sources as a first step might be preferable to attempting to provide an exhaustive list. Priority sources could include the Green Climate Fund, the Global Environment Facility, FAO, and the World Bank. However, many other sources of financing exist and should be eventually taken into account, including private sector financing, domestic resource mobilization and innovative mechanisms such as bonds, equity, etc.
- 17 In initiating and operationalizing the CH, the interactive discussion highlighted the following issues:
- a) It is key to distinguish between “CH” vs “database”. CH is the whole package, including –access, interface, search engine, and management and maintenance, as well as the database. The database is only one component of the CH. On this matter, experts stressed that the scope and operation of the CH is defined in section 7 of the GFFFN guidelines, which was agreed at UNFF13.
 - b) There are several CHs to learn from in terms of design, interface, search engines, including some not related to forests.
 - c) User friendliness and ease of access is essential to the success of the CH
 - d) The CH may include detailed donor information (contacts, scale of resources, country focus, regional focus, etc.)
 - e) The CH could draw data from other relevant online databases and promote interfaces.
 - f) The more complex the database is, the more difficult and costlier it will be to manage and maintain. Therefore, a step wise, cost-efficient and simple approach and organizational capacity are imperative.
 - g) When providing information on funding from multilateral financing institutions, it is necessary to mention co-financing which for some institutions outweighs primary financing by a factor of 6 or 7.
 - h) It would be useful to differentiate between upfront grants (“traditional” ODA) and results-based payments which are an emerging financing tool in forests and climate change. The latter is being disbursed much more gradually because it is contingent upon the delivery of results.

- i) The four priorities for the GFFFN interconnected, and the UNFF Secretariat should be encouraged to bear in mind synergies and complementarity between the four priorities of the GFFFN when operationalizing the CH.
- j) The UNFFS should further engage in partnerships and explore the possibility of becoming an accredited agency with multilateral financing institutions, e.g. the Green Climate Fund.
- k) There should be different types of information available through the CH, that is beneficial for the categories of countries that are given special consideration in the work of the GFFFN.

Agenda items 7 and 8: Establishing a database on financing opportunities, its format and partnerships with other databases; and designing an interactive platform for the exchange of data, lessons learnt and best practices, and its format and structure

- 18 Building on the Forum’s mandate, Mr Blaser presented a structure for the CH along with a set of search criteria building on the existing criteria of the CPF Sourcebook, which could be reviewed periodically for possible modification. These search criteria would be one of the 3 elements of an interactive platform which would also include an interactive dashboard summarizing relevant information, and a networking space like a forum. Finally, he suggested that the CH could be managed by a small CH “management unit” within the GFFFN team at the UNFF Secretariat in New York which would interact with information providers and users, supervise input and prepare newsletters, tutorials, and other information materials on the CH.
- 19 Interactive discussions following Mr Blaser’s presentation raised the following issues:
- a) While noting that multilingualism is a core value of the UN, participants recommended that the CH website be in English, like most other clearinghouses, to keep the website nimble and easy to update.
 - b) It was suggested that UNFF training materials on accessing financing and summaries of the achievements of the GFFFN be included in the clearing house.
 - c) The central role of the “management unit” should be in developing, maintaining and updating the clearing house. The unit should rely on (i) providers for updating data on a regular basis (like the IATI database), possibly through partnership agreements, and (ii) on national reports to the UNFF from Member States.
 - d) Participants expressed concern about the relevance and accessibility of the CH by users who may not have a reliable internet access, including local communities. It was suggested that other option for making the CH data available offline should be explored.
 - e) The United Nations has Web guidelines¹ which outline website design and usability requirements of the UN as well as technical standards, which could impact how much of

¹ <http://www.un.org/webguidelines/>

the CH could be hosted internally on the UN domain. Rules do clearly state that any information provided by the United Nations has to be accessible to everyone and cannot be restricted to only those who register. In this respect, the benefits of multilingualism might need to be considered in the longer term. Guidelines also exist on web accessibility.

- f) Databases on past and present trends in forest financing are useful, but one must also remember that Member State governments might be more interested in practical information on how to access financing for sustainable forest management.
- 20 Participants also were invited to make comments and suggestions on the proposed figures for phase 1 (Annex 2) and the fully developed structure of the CH, which is included in Annex 3 to this report.

Agenda item 8bis: mapping data for forest financing, data providers and existing sources of data

- 21 UNFF Consultant Juergen Blaser explained that this agenda item is related to the fourth priority of the GFFFN. Existing data on progress towards the implementation of the UNSPF is largely qualitative and does not yet allow for a quantitative assessment. He suggested that a quantitative mapping exercise of financial flows should break down into 3 categories – short-term, initial upfront investments; medium-term implementation investments; and long-term sustained financing.
- a) With regards to data collection means, surveys are one way that some organizations like Forests Trends, use to collect data. It was emphasized that sustained funding is critical to data collection.
 - b) The political importance of including figures on forest financing from all sources was stressed – not just public international flows (ODA). National financing data was highlighted as very important. It was noted that FAO collected some data on national public expenditure for FRA 2010 and could share further information on this. The Forum could invite FRA to resume collecting data on this, as it was discontinued in 2015.
 - c) Participants noted that a large amount of information on forest finance is already available on different websites including some CPF member organizations. The clearing house could redirect visitors to these websites or data could be made available on the clearing house website from these sources.
 - d) It was noted that the private sector is unlikely to provide information directly to the CH. Such information may need to be collected from secondary sources, which possess their own transparency and data-integrity guidelines and independently-audited accounts, although some private stakeholders may be willing to provide information directly should they perceive the CH as a credible, trustworthy initiative without them. It was noted that in general data on private financing for forests remains scant, with some limited data on FDI flows available on the OECD website. Participants pointed out that

development banks like CAF and BNDES also collect information on private investments in the private forestry sector in Latin America.

- e) Inquiries were made about reviving the CPF Advisory Group on Finance (AGF), with the possibility raised of an update by the AGF on forest financing for the mid-term review of the IAF in 2024.
- f) The issue was raised of the validity and reliability of data pulled from different sources and to be compiled in the CH website. A reflection may be required on minimum standards of validity and reliability when collecting data.
- g) Referring to the presentation of IATI, some experts suggested the Secretariat, as a practical way forward, to consider conducting a cost-benefit analysis of working with IATI to launch the clearinghouse, along with other potential options, and conduct an IATI side event during UNFF14 to demonstrate the potential of technical and operational cooperation, with a view to looking at a potential partnership with the IATI on the clearinghouse mechanism.

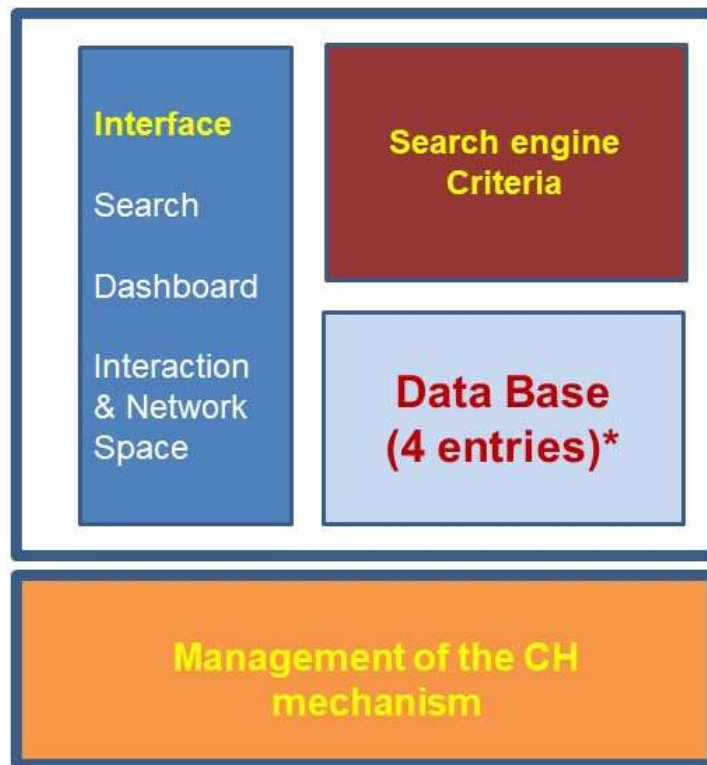
Agenda item 9: Assessing progress on target 15.b of SDGs and GFG4

- 22 UNFF consultant Juergen Blaser explained that current data to report on SDG15.b comes from the OECD Statistics database from DAC countries. He raised the question as to whether countries could report on quantitative data on forest finance from different sources in their reports to the UNFF. This element would require a lot of additional work.
- 23 The following points emerged from the interactive discussion:
 - a) It was suggested to include quantitative data in the future voluntary national reporting by countries to UNFF which could provide the basis for assessing the progress on target 15.b.
 - b) It was emphasized that for quantitative data about Member States, the clearing house could only rely on data officially submitted by Member States, and official data from UN organizations.
 - c) The CPF, in the context of its current work on global forest indicators, is best suited to continue to work on this matter, as a means to assist countries to provide quantitative data on target 15.b.
 - d) Many countries could benefit from financial support to compile the quantitative data to report on forest financing. Such data could also help countries design national forest financing strategies.

Agenda item 10: Key proposals for development of the CH, resource needs and partnerships

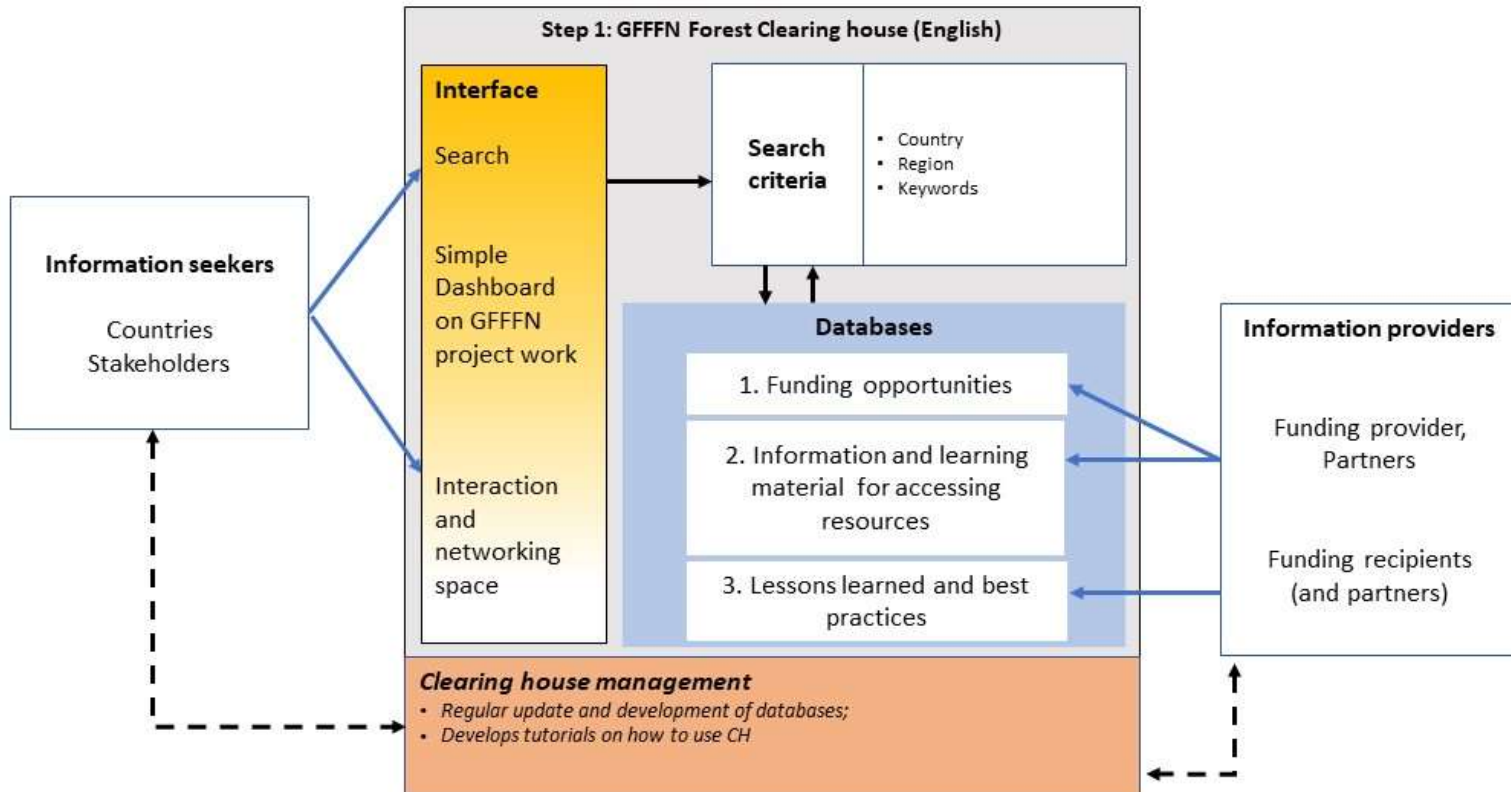
- 24 The following are some suggestions for the next steps which are based on the interactive discussions among participants throughout the meeting:
- a) Annex 1 displays the proposed core elements of the CH.
 - b) It is imperative to take a stepwise approach in developing and operationalizing the CH. This means to develop the CH in sequential phases over time. Annexes 2 and 3 display the components of the CH at the end of phase 1 and phase 2 with respective timelines to be discussed.
 - c) The experts consider that further work between UNFF14 and UNFF15 is necessary to provide a solid proposal for phase one of the CH for submission to UNFF15, with the objective of an agreement at UNFF15 on the first phase of CH of the GFFFN, with the view to operationalize the first phase of the CH before the end of 2020. This intersessional work could focus on assessment of IT needs and budgetary requirements, the timeline for different phases as well as further elaboration of phase 1 of the CH taking into account the outcome of UNFF14.
 - d) Consistent with the GFFFN guidelines, the experts emphasized that the CH should be developed, without duplicating existing efforts, and in consultation with interested members of the Collaborative Partnership on Forests, and other relevant databases.
 - e) The Co-Chairs summary and its annexes provide a good basis for UNFF14 to discuss and provide guidance on the next steps.
 - f) The availability of resources for the CH depends entirely on voluntary contributions and its design would need to match the Forum's ambitions for the clearing house.

Annex 1: Proposed core elements of the CH



Annex 2: Possible visual structure of a phase 1 of the Clearing House

STEP 1: GFFFN Clearinghouse (Phase 1)



Annex 3: Possible visual structure of the Clearing House of the GFFN (fully elaborated)

Structure of the Clearinghouse (fully elaborated)

