

Proposals for initiating and operationalizing the Clearing House (CH) of the Global Forest Financing Facilitation Network (GFFFN)¹

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Executive summary

The development of a web-based clearing house is one of the main objectives of the Global Forest Financing Facilitative Network (GFFFN). This consultant report, which was mandated by the GFFFN secretariat, presents a proposal for the design of a web-based clearing house and discusses measures to improve data on forest financing. The report builds on previous documents that discuss elements of a GFFFN clearing house, in particular the “Review of the activities of the Global Forest Financing Facilitative Network” by Simula (2018). Simula (2018) and the report “Finding Finance for Forests: An Overview Survey of Known Sources” by McAlpine and Church (2018).

To add to the existing knowledge base, the report, in the first section of chapter 2, presents findings from an online survey that was sent to nearly 700 potential users of the clearing house to elicit their needs and suggestions. The addressees were participants of previous GFFFN workshops, UNFF focal points as well as UNFF13 participants. The response rate was about 7%. The responses revealed that the search criteria previously used in the CPF sourcebook for forest financing remain valid but could be complemented with further criteria such as “thematic area”. An interesting finding is that respondents would not only hope to retrieve relevant information from the clearing house website, but would also be willing to provide information, e.g. on lessons learned, activities, projects or programs in need of financing, as well as financing opportunities.

In a further section, the report presents a preliminary overview of funding institutions that provide resources for forests. This information serves as a starting point for the compilation of information on forest finance opportunities that could be contained in the clearing house. The following section reviews existing clearing houses and seeks to derive lessons from their experiences. Timeliness, i.e. keeping the databases in a clearing house up-to-date proved to be a key requirement to remain relevant to users. However, this also appears to be a major challenge that few clearing houses have managed to tackle. The last section of chapter 2 presents a figure of the structure of the clearing house and expands on ideas presented in the report by Simula (2018). Each element contained in the figure is briefly discussed.

The second part of the report focuses on measures to improve data on forest financing. The first section maps gaps in data availability. A gap is argued to become overt when monitoring of progress on forest finance targets is hampered due to data limitations. The assessment of data gaps thus builds on a comparison of data needs and data availability among a selection of initiatives listed on the UNEP climate initiatives platform. The report reveals that several new data collection efforts are underway, most prominently a voluntary national survey on progress towards the implementation of the United Nations strategic plan for forests. In a final section, methods to assess progress on SDG15.b and GFG4 are compared and discussed.

The report closes with a list of suggestions for next steps related to the present report and the clearing house. To improve the availability of data on forest financing, a main recommendation of the report is to consider, as a next step, to encourage countries to include more quantitative data alongside the current qualitative data on GFG4 in the reporting format on progress towards the implementation of the United Nations strategic plan for forests.

While this report provides an overview on the expected clearing house based on the needs, we should also be aware of further reconciliation needed with technical flexibility of realizing these expectations. Furthermore, development and maintenance of Clearing House requires substantial financial and human resources, the UNFF may also consider adopting a step-wise approach based on the availability of the financial and human resources.

List of abbreviations and glossary

ASAP	Adaptation for Smallholder Agriculture Programme
ADB	Asian Development Bank
AfDB	African Development Bank
ASEAN	Association of South East Asian Nations
AU	African Union
BMZ	German Federal Ministry for Economic Cooperation and Development
CBO	Community-based organization
CIT	Countries with Economies in Transition
CHM	Clearing House Mechanism
COP	Conference of the parties
CPF	Collaborative Partnership on Forests (includes 15 international organizations)
CSO	Civil Society Organization
CPF AGF	CPF Advisory Group on Finance
DAC	Development Assistance Committee (of OECD)
DGF	Development Grant Facility (grant instrument of the World Bank)
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
ES	Environmental Services
ECOSOC	Economic and Social Council of the United Nations
FAO	Food and Agriculture Organization of the United Nations
FCPF	Forest Carbon Partnership Facility
FDI	Foreign Direct Investments
FIP	Forest Investment Programme
FLEG(T)	Forest Law Enforcement, Governance (and Trade)
FLR	Forest (and) Landscape Restoration
GCCA+	Global Climate Change Plus Initiative
GCF	Green Climate Fund
GEF	Global Environment Facility
GFG	Global Forest Goals
GFFFN	Global Forest Financing Facilitation Network
GFG	Global Forest Goal
GFIS	Global Forest Information System
GIZ	German Corporation for International Cooperation
IBRD	International Bank for Reconstruction and Development
ICSID	International Centre for Settlement of Investment Disputes
ICF	United Kingdom's International Climate Finance
IDA	International Development Association
IDB	Interamerican Development Bank
IFC	International Finance Corporation
IMF	International Monetary Fund (IMF)
ISFL	Initiative for Sustainable Forest Landscapes
ITTO	International Tropical Timber Organization
IUCN	World Conservation Union
IUFRO	International Union of Forest Research Organizations
KfW	German Kreditanstalt für Wiederaufbau
LDC	Least developed country
LDCF	Least Developed Countries Fund
LFCC	Low forest cover country
MDBs	Multilateral development banks
MIGA	Multilateral Investment Guarantee Agency
NAMA	Nationally Appropriate Mitigation Actions
NDC	Nationally Determined Contribution (national climate change action plan)
NGO	Non-governmental organization
NICFI	Norway International Climate Change and Forest Initiative

NRM	Natural Resource Management
OECD	Organization for Economic Cooperation and Development
PPCR	Pilot Programme for Climate Resilience
REDD+	Composed abbreviation meaning: Reducing emissions from deforestation and from forest degradation; Conservation of forest carbon stocks; Sustainable management of forests; Enhancement of forest carbon stocks
REM	REDD Early Movers Program
SDGs	Sustainable Development Goals
SFM	Sustainable Forest Management
SIDS	Small Island Developing State
UNCCD	United Nations on Convention to Combat.Desertification
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNFF	United Nations Forum on Forests
UNFI	United Nations Forest Instrument
UNSPF	United Nations Strategic Plan for Forests 2017-2030
VNC	Virtual Network Computing
WB / WBG	World Bank Group, includes: IBRD, IDA, ICSID, IFC, MIGA

1. Introduction

Forest goods and services contribute in many ways to the United Nations' Sustainable Development Goals (SDGs) (Seymour and Busch, 2016). Sustainable forest management (SFM) is explicitly mentioned in SDG goal 15.2: "By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally". However, implementing SFM globally requires substantial financial resources. Goal 4 of the Global Forest Goals of the UN Strategic Plan for Forests (UNSPF) acknowledges this necessity. It specifically mentions the need to "Mobilize significantly increased, new and additional financial resources from all sources for the implementation of sustainable forest management and strengthen scientific and technical cooperation and partnerships."

The present document presents proposals for content and structure of a web-based clearing house, that can serve as platform for information exchange on forest financing opportunities, as a step forward to achieving the aforementioned goals. The Clearing House itself is part of the Global Forest Financing Facilitation Network (GFFFN). The GFFFN, managed by the UNFF-Secretariat, comprises three elements that support the achievement of Goal 4 in the UNSFP and SDG 15.2, as follows: (i) technical and capacity building support the development of "National Forest Financing Strategies" in developing and transitional countries; (ii) modular training packages on reaching major funding sources for SFM; and (iii) the Clearing House mechanism as a supportive tool for countries to reach firsthand information through a mouse-click.

1.1. Background

In 2009, the United Nations Forum on Forests established the Facilitative Process. Its purpose was, *inter alia*, to support countries in mobilizing financial resources for SFM. In 2015, at the 11th session of the United Nations Forum on Forests (UNFF), it was upgraded into "Global Forest Financing Facilitative Network" (GFFFN). The GFFFN, was thus formally established under the auspices of the UNFF by the United Nations Economic and Social Council (ECOSOC) resolution 2015/33, paragraph 13 (ECOSOC, 2015). The initial purpose of unlocking and facilitating access to financial resources for sustainable forest management remained unchanged.

According to the United Nations Strategic Plan for Forests (UNSPF), the priorities of the GFFFN are:

- To promote and assist members in designing national forest financing strategies to mobilize resources for sustainable forest management;
- To assist countries in mobilizing, accessing and enhancing the effective use of existing financial resources from all sources for sustainable forest management;
- To 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;
- To contribute to the achievement of the global forest goals and targets, as well as priorities contained in the quadrennial programmes of work.

One of the priorities of the GFFFN (stipulated in ECOSOC resolution 2017/4, paragraph 62) is "To 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 (CPF) online sourcebook for forest financing" (ECOSOC, 2017). The first part of the sentence (up to "successful projects") serves as definition of "clearing house" as stipulated in the United Nations strategic plan for forests, 2017-2030 (UNFF, 2017). The CPF (2018) sourcebook, referred to in the second part of the sentence above, is available at the CPF and FAO website and still functional, but has not been updated since 2011.

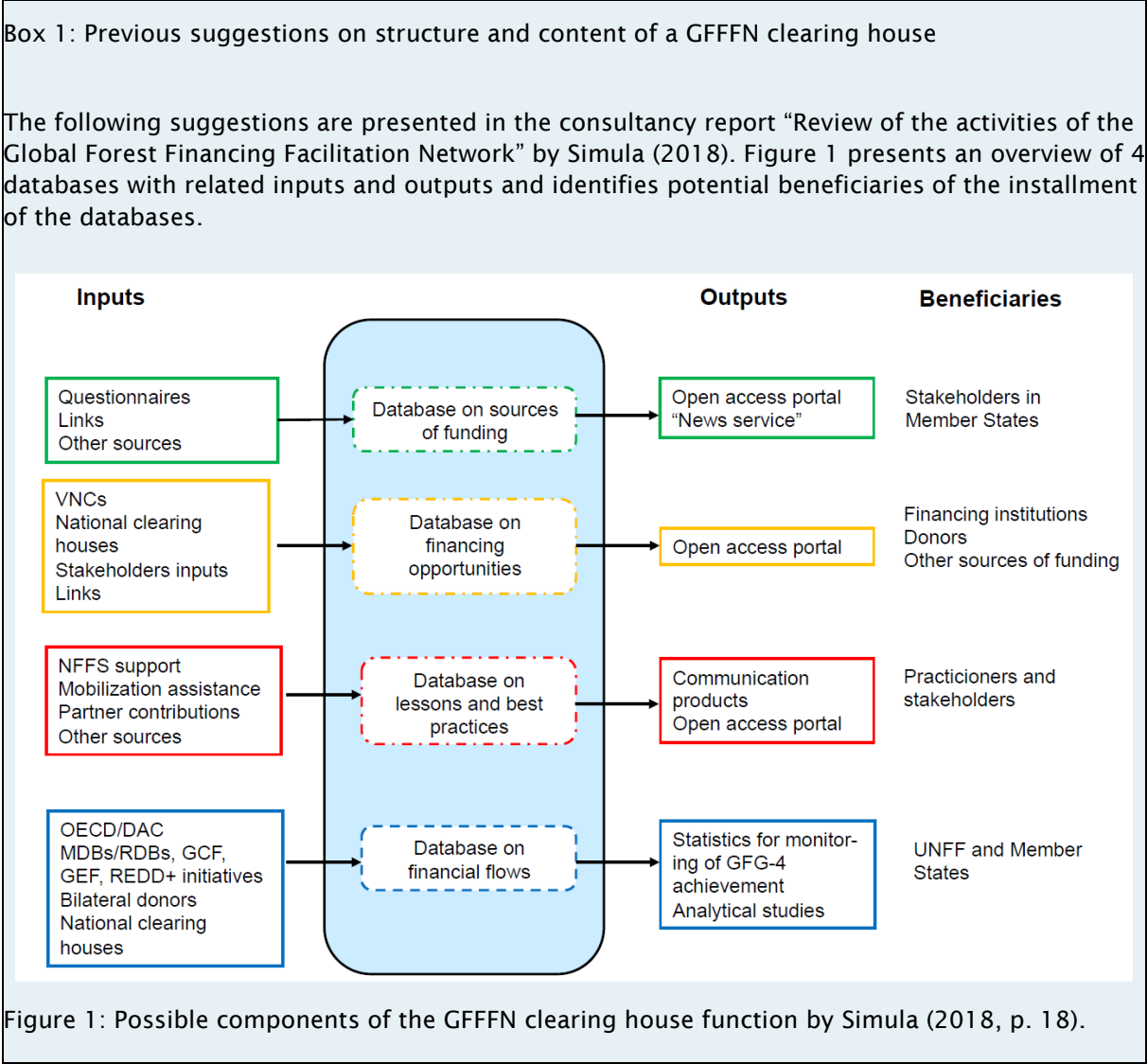
Guidelines for the operation of the GFFFN were adopted at the 13th session of the UNFF (2018a) in May 2018. The guidelines include an outline for the creation of a GFFFN Clearing house (see Annex 1, item 7):

“The secretariat will develop, without duplicating existing efforts, the Global Forest Financing Facilitation Network online clearing house, in consultation with interested members of the Collaborative Partnership on Forests, with a view to providing:

- A comprehensive up-to-date database on forest financing opportunities and financial flows for sustainable forest management, drawing and building on existing initiatives and sources of information.
- A web-based interactive platform for the exchange of data, lessons learned and best practices among users, including, for example, on project conceptualization.
- A source of data for assessing progress on target 15.b of the Sustainable Development Goals and global forest goal 4.

The Secretariat will establish and maintain a network of regular data providers to the clearing house which will not entail new national reporting requirements.”

Previous work on structure and content of a GFFFN clearing house is summarized in Box 1. The present report builds on and expands these initial suggestions.



The following recommendations are related to each of the four databases of Fig. 1 and are quoted from Simula (2018).

→ *See next page*

- 1. Database on sources of financing to benefit developing and CIT countries and their stakeholders**
 - a) In cooperation with FAO, carry out a brief review of the online CPF Sourcebook with regard to its contents, past use over time, and possible user feedback;
 - b) Design the GFFFN database considering the following action: (i) identify potential priority user groups and their information needs and use purposes possibly through a quick online survey; (ii) reconsider the scope of potential sources and use of links to avoid overloading the database; (iii) consider a phased approach starting with priority sources; (iv) apply thematic and eligibility criteria in the database and develop a user-friendly search facility; (v) consider to include user registration to allow effective periodic monitoring by user groups (as e.g., practiced in some websites); and periodically update the database.
- 2. Database on financing opportunities in developing countries and countries with economies in transition (CITs) to benefit external sources of funding**
 - a) Carry out a survey among a sample of potential users of such a database including international financing institutions and selected donor agencies and private bodies to identify potential value of this service;
 - b) Consult with the UNFCCC secretariat on their experiences in setting up and maintenance of similar databases (NAMA and NDC registries); and if found feasible proceed to planning and establishment of the database;
 - c) Consider possible feasibility of including VNCs as a key component of the database
 - d) Design the input format, disseminate the service among Member States, maintain, periodically update and evaluate the value added of the database;
 - e) Support establishment of national clearing houses to build up capacity in: (i) Development and maintenance of a database on SFM projects (completed, on-going, being planned) in the country; (ii) Sharing information nationally among all actors; (iii) Taking proactive action for improved intersectoral coordination and interagency collaboration in SFM financing based on information collected; (iv) Collecting and reporting information on forest financing flows in the country; and (v) Acting as the national link to the GFFFN clearing house
- 3. Database (or a web portal) for sharing of lessons learned and best practices from successful projects**
 - a) Define the thematic scope of the database;
 - b) Review other services already in operation in the same area, and establish cooperation arrangements with the respective bodies;
 - c) Design the database/web portal for sharing of knowledge
 - d) Integrate collection of lessons and best practices in the other activities of the GFFFN (support to NFFS, project conceptualization);
 - e) Prepare thematic guidance documents and make them available for sharing through appropriate means of dissemination, and use them in GFFFN training; and
 - f) Share knowledge through web portal and other means and use in training.
- 4. Database on forest financing flows**
 - a) Review adequacy of the available information on forest financing flows from existing sources to developing and CIT countries, and carry out consultations with relevant parties (OECD/DAC, members of the CPF Advisory Group on Financing and other relevant bodies) in view of possibilities to improve the comparability and analytical value of existing information;
 - b) Choose the approach(es) to monitor and report on the achievement of GFG-4: (i) periodic global studies based on available information and/or (ii) setting up an in-house database within the GFFFN to collect, validate, upload and report on forest financing flows by source, beneficiary country, thematic area, etc.; and
 - c) Support linking national forest financing clearing houses with the GFFFN database on forest financing flows.

1.2. Objectives of the present report

The objective of this report is to serve as background document for an expert group meeting organized by the UNFF Secretariat from 9 to 11 January 2019 in New York on the clearing house of the GFFFN. Its intention is to help 'identify the requirements, components and categories of information for the development of a comprehensive database on forest financing opportunities, taking into account the need to build on, and add value to, existing databases'. Feedback from the discussions of the expert group meeting will be integrated into a revised version of the report.

1.3. Assignment and implementation framework

The Terms of Reference on which this report is based are structured into two blocks. The first concerns the design of the clearing house and its interactive platform and the second is on measures to improve data on forest financing. Tables 1 and 2 below list the given tasks, the method implemented by the consultants and the section of the report where the corresponding information can be found.

Table 1: Task (1) Design of the clearing house and its interactive platform

Sub-tasks	Method	Section
1.1 Identification of the types of users of the GFFFN CH and their needs, including through a survey and/or by contacting relevant stakeholders.	Online survey among participants of previous GFFFN forest financing workshops, UNFF focal points and UNFF13 participants.	2.1
1.2 Compile user-friendly information on procedures for accessing resources for forests from existing multilateral funding institutions.	Structured review of financing guidelines of multilateral funding institutions.	2.2
1.3 Propose requirements, components and categories of information for the development of a comprehensive database on forest financing opportunities, building on and adding value to the existing databases.	Structured review of components of existing databases; synthesis of 1.1, 1.2 and 1.3 to propose requirements, components and categories for the CH.	2.3 2.4
1.4 Propose structure and elements for a web-based interactive platform for exchange of data, lessons learned and best practices on forest financing, and the information sources.	Figure for overview of proposed structure; discussion of individual elements	2.5

Table 2: Task (2) Measures to improve data on forest financing

Sub-tasks	Method	Section
2.1 Map the gaps in data related to forest financing.	Review of data requirements in inter-governmentally agreed goals and targets on SFM financing	3.1
2.2 Identify all potential data providers to the GFFFN clearing house.	Matrix of potential data sources by investment step and suggested clearing house database	3.2
2.3 Make proposals on the use of existing sources of data on the progress towards achieving inter-governmentally agreed goals and targets on financing sustainable forest management and its incorporation into the GFFFN-CH online function.	Brainstorm on efficient ways forward to improve existing data collection efforts.	3.3
2.4 Propose methods, tools and sources of data to assess the progress towards achievement of the SDG15.b and GFG4.	Review of data requirements and data availability	3.4

2. Design of the Clearinghouse and its interactive platform

2.1. Survey on needs and experiences with clearinghouses

Users and their needs

In order to investigate what types of needs potential users of the clearinghouse have, an online survey was set up. It was sent to 163 email addresses of participants of previous GFFFN workshops on October 31st and on November 2nd to 239 UNFF focal points as well as 293 UNFF13 participants. In total these were 695 addresses. The survey was sent in English and French. Responses were collected until November 28th.

Overall 53 responses were obtained but 6 surveys contained no more than the respondents' background information. The remaining 47 surveys are used in the analysis below. They correspond to a response rate of nearly 7%.

Respondents' background.

In a first question, respondents were asked to indicate in which country they had attended a GFFFN workshop. The following responses were obtained (frequencies are given in brackets): Nigeria (5); Botswana (4); China (4); Guinée-Conakry (3); Uganda (3); USA (3); Fiji (2); Zimbabwe (2); Jamaica (1); Mexico (1); Senegal (1); St. Lucia (1); Ukraine (1). Seven respondents indicated that they had not attended a GFFFN workshop and the remaining 9 respondents did not answer this question.

The majority of respondents had a government affiliation (77%). The other respondents were affiliated to an NGO (9%), a UN organization (6%), were consultants (6%), or researchers (2%). The majority of respondents have previously been involved in forest finance acquisition (60%). 34% answered that they had no such experience and the remaining 6% did not provide a response. The Collaborative Partnership on Forests (CPF) Sourcebook on Funding for Sustainable Forest Management had previously been used by 28% of the respondents while 70% had not used it (2% did not provide an answer to this question).

Clearinghouse functions

Respondents were asked to indicate what type of search functions for funding sources should be available on a clearing house website. Responses are summarized in Figure 2 below. The categories region, country, type of fund and target group were already contained in the CPF sourcebook. The category thematic area was not previously contained on the CPF sourcebook website. More than 50% of the respondents indicated that these categories should be included. However, less than 50% of the respondents saw value in including investment step as a search criterion.

Respondents also had the possibility to provide own ideas for search criteria. Four suggestions were submitted: "Links to data banks of ongoing and completed projects of different funding opportunities"; "Funding opportunities by capacity to combine among each other"; "Funding opportunities by size/amount e.g large, medium, small"; and "Success stories and best practices".

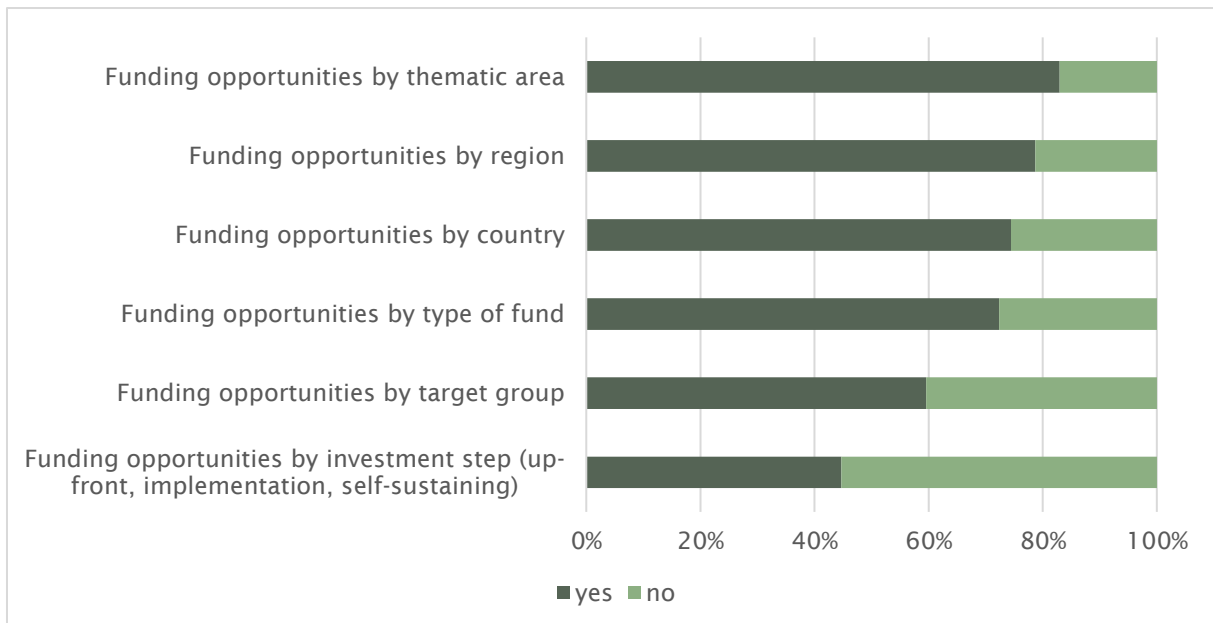


Figure 2: Responses to the question “What type of search functions for funding sources should be available on a clearing house website? Please tick the relevant options”. (Answer categories were given; n=47)

In the next question, respondents were asked to indicate the most useful options for dissemination of learning material and trainings related to financing opportunities via the clearinghouse. Figure 3 presents the responses to this question. Web-based written tutorials were clearly favored over video tutorials. Many would also find information on workshops useful.

Respondents again had an opportunity to submit own suggestions related to this question. Responses obtained were: “Models of project proposals, including financial models and logical framework”; “Informative brochures (for policy makers) of the main financing options available, including their characteristics, objectives, financing modalities, eligibility requirements, available amounts of financing, thematic areas, etc.; also guidelines for developing integrated financing strategies for SFM”; “manuals, guidebooks, toolkits to take home”; “Information on funding opportunities for participants to attain training and type of training”.

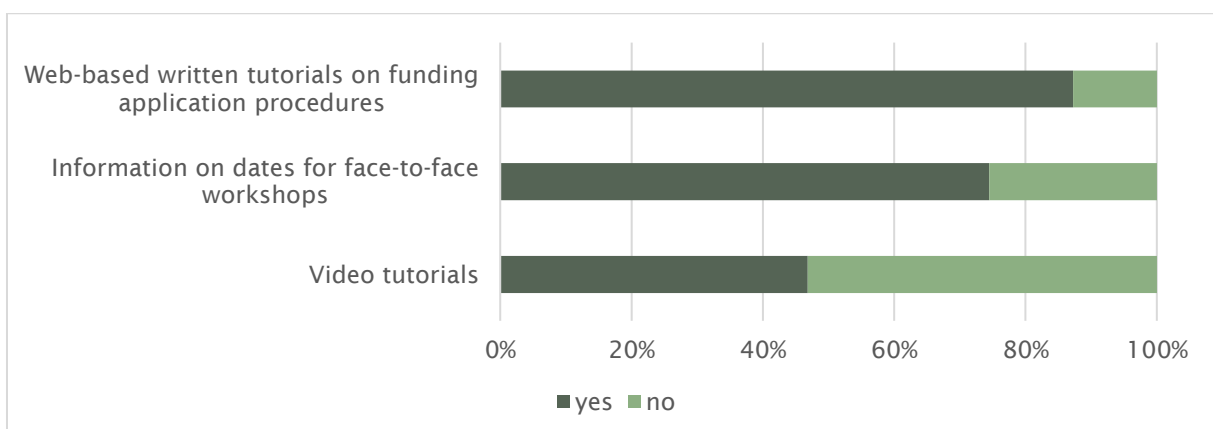


Figure 3: Responses to the question “Learning material and trainings related to financing opportunities can be presented in various ways. Please tick the options that you would find most useful for information dissemination via the clearing house.” (Answer categories were given; n=47)

Respondents were asked what type of information on lessons learned and best practice reports they would hope to find through the clearing house. As can be seen in Figure 4, almost 90% would expect to find best practice reports on project conceptualizations and nearly as many would expect reports on lessons learned by funding source.

Several additional suggestions were provided by the respondents: “Reports on lessons learned by beneficiary country”; “Links to data banks of ongoing and completed projects of different funding opportunities”; “Pitfalls to avoid in project proposal formulation”; “Reports on support from UNFF on funding utilization”; “Summaries of assessment reports of selected successful projects implemented”; “Reports on lessons learned by projects implemented”; “Specially, regarding the identification of elements to include in a project and insure financing and transformational change”; “Les erreurs à éviter”; “information on approaches/methods for project implementation and success story”; “Project implementation, monitoring and evaluation reports”.

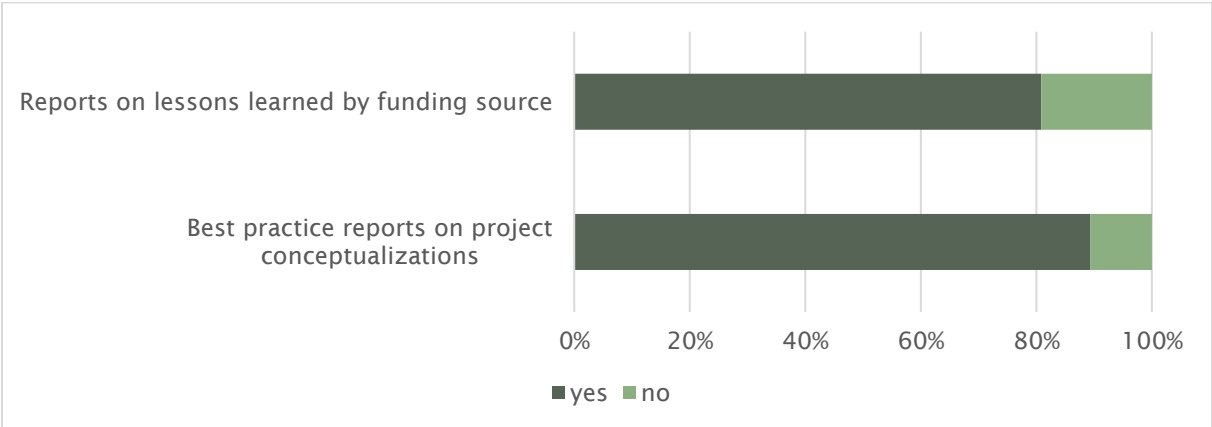


Figure 4: Responses to the question “What type of information on lessons learned and best practice reports would you hope to find through the clearing house? Please tick the relevant options” (Answer categories were given; n=47)

The last question concerned the type of information that the respondent as user would be willing to share through the clearing house. Responses are summarized in Figure 5. Best practices and lessons learned were chosen most frequently, followed by activities, projects, programs in need of funding and financing opportunities.

Further ideas submitted by respondents in an open field were: “Information on support services”; “Options for synergies and collaboration”; “Information on training opportunities”; “Sustainable Land management (Forest and Range Resources)”.

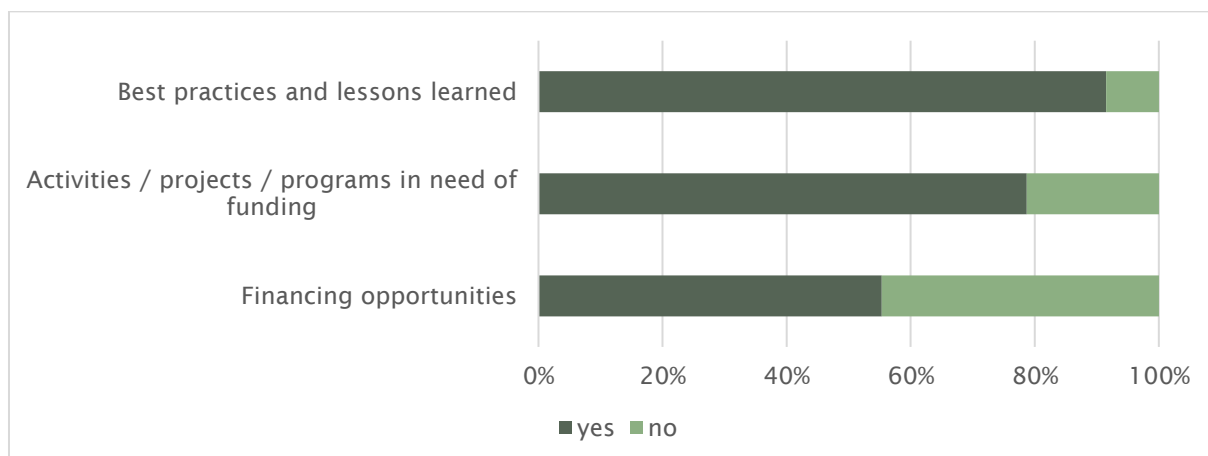


Figure 5: Responses to the question “What type of information would you as user be willing to share on the clearing house interactive platform? Please tick the relevant options.” (Answer categories were given; n=47)

Additional comments

Finally, the survey contained an open space for any further comments or ideas on a future GFFFN clearing house mechanism. Responses are listed in groups below.

Accessibility

- Simple process and procedures.
- Easy accessibility for countries in any region.
- Accessing information from the GFFFN should be made easy. Countries should be encouraged to submit their reports for the benefit of those countries that are left behind. Such reports could be used as guides.
- The GFFFN Clearing House must be transparent and become proactive in responding to urgency of needs toward sustainable forest management issues.
- The future GFFFN clearing house communication approach should be friendly and easy to approach.

Information needs

- GFFFN Clearing house should consider and look for small grant project funding on wildlife & nature conservation through enhancement of rural livelihood within protected areas and Forest Divisional areas as well.
- The availability of online application for funding and tutorials detailing steps will be crucial in determining the success of the clearing house and GFFFN.
- For recipients of funding it would be useful to have access/links to detailed criteria of funding from alternative sources as well as guidance documents for proposal preparation as well as examples of forest related projects that have been financed. For sources of funding it would be useful to have summary data on projects seeking for funding in a country/thematic area to facilitate their screening process.
- Provide a list with brief descriptions of projects developed through the GFFFN and their sources of funding, including their objectives and achievements.
- GFFFN clearing house mechanism should also support to disseminate calls for project proposals, as well as information about opportunities for training and capacity building in forest financing options, including innovative financing (e.g. carbon & biodiversity markets); as well as updates about new funded forest projects by main initiatives/funding sources (GEF, GCF, etc.)

- Because I have not yet used this platform and given the interest I have in it, it is desirable to have detailed information about how it works and the role each member should play. It is very important to discover especially new financing mechanisms for sustainable forest management at the moment when my country commits itself, in the framework of the Bonn Challenge (global objective of restoration of 350 million ha for 2030), to restore two (2) million hectares of degraded and deforested forest landscapes by 2030 [translated from French]
- Sustainable forest management is a wish/goal by any country so information on sustainability of forest financing to achieve the goal would also be vital.

Interaction

- Making the space as interactive as possible will be quite beneficial
- Recommendation: All trained participants should replicate the knowledge learned to others in their respective MDA, Organization, Region and country as a whole.
- GFFFN may also produce periodic newsletter on funding opportunities, successful projects and lessons learnt from funded projects.
- The platform to involve relevant stakeholders in other sectors including CSOs, CBOs, academia, private sector etc. The issues of gender-based projects/financing, knowledge management, benefit sharing and grievance redress mechanism in financing
- Bench marking trips to successful GFFFN projects in Africa by relevant user groups/institutions

Other comments

- I will like to be more involved.
- There is need to have an understanding of the peculiarities

Apart from the survey presented above, need for an information platform has been expressed in other fora. For instance, the meeting report of the Forest and Landscape Investment Forum in May 2017 states that: “A Forest and Landscape Investment Platform may improve communication between investors and those seeking funding. For example, if a database of investors, with their characteristics, information requirements, investment windows and other relevant matching information is available then entrepreneurs and other seekers of funding can narrow their search more easily. Further, a platform can also be used to discuss challenges and opportunities in the market, and facilitate knowledge sharing” (FAO, 2017).

2.2. Databases on financing opportunities

Overview of procedures for accessing resources for forests from existing multilateral funding institutions

This chapter contains an illustrative snapshot on the most relevant multilateral funding sources/opportunities with a special regard on accessing the resources. The proposed list beneath is not complete and does not cover the breadth of opportunities listed in the McAlpine and Church (2018) report. Instead, the selected funding opportunities are discussed in more depth in the present report. However, the opportunities listed here should be confirmed/amended/completed by the participants in the UNFF Expert Meeting in January 2019. The following needs to be noted:

- All cited funding mechanisms have web-based references describing how funding requests should be made. Accessibility, eligibility, timing/project cycles however vary considerably.
- Only directly available and accessible funding mechanisms should be listed in the future CHM as potential funding sources. However, currently still operational funding mechanisms, such as the FCPF Readiness Fund or FCPF Carbon Fund, the Forest Investment Program of the ISFL of the Biocarbon Fund should be listed, even that they are currently closed for new calls. References to closed funding mechanisms remain relevant in respect to capacity building and lessons learned from the outcomes.
- Some institutions with long-term funding streams change their procedures with each call (e.g. GEF-6 to GEF-7). Constant review of the procedures and updating the CHM is key for a functioning clearinghouse.

The following annotated list presents an overview on currently operational multilateral funding opportunities.

(i) Multilateral funds.

Multilateral funds are alimented by international public finance, generally by OECD countries. They are devoted funds that support policy processes and technical support projects through international cooperation. The most relevant funds to be included in the GFFFN CHM include:

- ***The Green Climate Fund (GCF)***. The GCF has been operationalized in 2015 and constitutes the main channel for climate finance disbursement of the UNFCCC. It dedicates its funds to an equal share of 50% to mitigation and 50% to adaptation projects. The GCF supports implementation of the national climate change strategies (“NDCs”, Nationally Determined Contributions) in which forests often play a central role to address mitigation and adaptation. Since early 2018, a pilot programme for REDD+ results-based payments with a dedicated amount of US\$ 500 million for five years has been made operational. In addition, in more than 30 countries, GCF forest and land use projects and readiness grants have been approved (December 2018, <https://www.greenclimate.fund/how-we-work/redd>). GCF channels its funds through accredited entities (AEs). The formulation of Concept Notes and Projects need to be coordinated at country level with the GCF National Designated Authority (NDA).
- ***The Global Environment Facility (GEF) Trust Fund*** was established at the 1992 Rio Earth Summit to tackle all three areas of the Rio Convention. GEF launched in 2018 its 7th Replenishment Period (GEF-7) with 30 countries pledging US\$4.1 billion for a 4 years period. GEF funds are available to developing countries and countries with economies in transition. The World Bank serves as the GEF Trustee. GEF-7 includes as a major support element fund allocation to its client countries (so-called STAR allocation, System for Transparent Allocation of Resources) with determined funding packages per country. In addition, there are three so-called “Impact Programs” focusing on (i) Food systems, Land Use and Restoration; (ii) Sustainable Cities; and (iii) Sustainable Forest Management. The Impact

Programs are designed to help countries pursue holistic and integrated approaches for transformational change in these key systems in line with countries' national development priorities. Impact programmes have however restricted access. GEF contributions for SFM need to be negotiated with the GEF Focal Points at country level.

Up to today, one of GFFFN's central role has been to assist countries in the development of project concept notes (PCN) for GCF and project identification forms (PIF) for the GEF.

Other potential multilateral funds relevant for the Clearing House include:

- ***The Adaptation Fund.*** This fund was established as part of the UNFCCC structure to support specific projects in developing countries that are likely to be severely affected by climate change. The World Bank serves as trustee of the Adaptation Fund on an interim basis. The AF channels its funds through accredited implementing agencies that meet the AF's criteria and help develop specific projects. The total financial contribution up to December 2018 is US\$743 m. Forests are part of eligible AF sector projects but have yet not been used to a great extent.
- ***The Pilot Programme for Climate Resilience (PPCR).*** This program aims to support poor countries' development plans, notably their National Adaptation Programmes, with approximately US\$1.2 billion. The PPCR operates through the setup of the Climate Investment Funds of the World Bank, which were designed by both developed and developing countries and are run by multilateral agencies such as the World Bank, the regional development banks in Latin America, Africa and Asia and the European Bank for Reconstruction and Development.
- ***The Least Developed Countries Fund (LDCF).*** The LDCF started operating in 2001 under the UNFCCC process as part of the Global Environment Facility (GEF) and is designed to mainly help developing states draw up their National Adaptation Programmes. By 2017, the Fund had approved around US\$1.15 billion for the funding of projects and programs in 51 countries, leveraging more than US\$4.8 billion in financing from partners. A complement of the LDCF is the ***Special Climate Change Fund (SCCF).*** Unlike the LDCF, the SCCF is open to all vulnerable developing countries. In addition, it funds a wider range of activities related to climate change, including forests. As of 2017, the SCCF has a portfolio of nearly US\$350 m in voluntary contributions supporting 77 projects in 79 countries. Adaptation is the top priority.
- ***The Adaptation for Smallholder Agriculture Programme (ASAP).*** The ASAP is a program of the UN's International Fund for Agricultural Development (IFAD). This fund is channeling climate and environmental finance to smallholder farmers. Supported by 10 donors, ASAP has received US\$300 m in contributions (December 2018). It currently works in 43 countries and deals with natural resource management to cope with the impact of climate change and build more resilient livelihoods (IFAD, 2018).
- Other multilateral organizations with today only modest project funding include the International Tropical Timber Organization (ITTO) with an own project cycle and FAO with modest direct support through so-called TCPs (Technical Cooperation Programmes) and a specific trust fund arrangement under the so-called "FAO Forest and Farm Facility".

A number of special “large scale pilot programmes” have been implemented over the past 10 years financed by OECD donor countries, foundations and the private sector. They are hosted either by the World Bank or by UN Organizations to mainly develop the role of forests as a means to mitigate climate change (REDD+). These programmes have shaped methodologies and approaches of REDD+ in the UNFCCC and have helped tropical countries to develop their REDD+ strategies and start large-scale results-based programmes to be implemented at national or jurisdictional level:

- ***FCPF Readiness and Carbon Fund.*** Operational since 2008, the FCPF has two separate but complementary funding mechanisms — the Readiness Fund and the Carbon Fund. Managed by the World Bank it is currently operational in 47 developing countries (18 in Africa, 18 in Latin America and the Caribbean, and 11 in Asia). Seventeen financial contributors have pledged a total financial commitment of over \$1.3 billion (\$400 million for the Readiness Fund and \$900 million for the Carbon Fund for results-based payments). While operational up to 2025 it is currently not open for new partner countries.
- ***The UN-REDD Programme*** is operational since 2008 and has since been focusing on REDD+ readiness support including forest policy and forest assessment work. It is jointly implemented by FAO, UNEP and UNDP and supports nationally led REDD+ processes. It focuses particularly on cross-cutting themes, including forest governance, tenure security, gender equality and stakeholder engagement. The programme supports national REDD+ readiness efforts in 65 partner countries with a total budget of about 300 million US\$.
- ***The Forest Investment Programme (FIP)***, operational since 2010 and part of the *Climate Funds* of the World Bank, supports investments to build institutional capacity, forest governance and information; investments in forest mitigation efforts, including forest ecosystem services; and investments outside the forest sector necessary to reduce the pressure on forests such as alternative livelihood and poverty reduction opportunities. A special support grant has been associated with FIP projects, the so-called Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM). In early 2018, FIP has an active program in 20 countries with a spend volume of 407 million US\$. The FIP is currently not open for a new call for countries to join the programme.
- The **BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL)**, operational since November 2013, is a multi-donor initiative that includes 4 governments (Germany, Norway, UK and US) and a number of private sector companies and is coordinated by the World Bank. The ISFL collaborates with a small number of selected forest countries to reduce emissions from the land sector through smarter land use planning, policies, and practices. The ISFL is pioneering work that enables countries and private sector actors to adopt changes in the way farmers work on the ground to the way policies are made at the international level. This work supports sustainable landscapes, climate-smart land use, and green supply chains. Its total budget is about 300 million US\$.

Access to these four funding opportunities is on demand (calls), sometimes on the basis “first come first served”.

Table 3: Overview of four multilateral funding opportunities for forest financing and procedures access to resources

Multilateral Funding	Basic procedure to access funds	References and Access
Green Climate Fund (GCF)	GCF 101: Addresses (1) Empowering countries; (2) Getting Accredited; (3) Funding programs and projects; and (4) Implementing projects; Project Preparation Facility (PPF); Guidelines for Concept Notes and project preparation	Coordination with National Designated Authority (NDA) for GCF and with an appropriate Accredited entity (AE)
GEF-7	GEF-7 STAR allocation: country-based coordination necessary to dedicate STAR allocation to forests Impact program FLR: focus on 3 key biomes: the Congo Basin, the Amazon, and drylands	Coordination with National GEF Focal Point and one of the 16 GEF agencies
LDCF	Least Developed Countries Fund (including forest-based adaptation)	Access through the GEF Operational Focal Point (OFP) Guidelines on Accessing Resources from the LDCF:
Adaptation Fund	Climate Finance Readiness Program Project Proposals	Coordination with AF Designated Authority

Sources: GEF, 2011; Adaptation Fund, 2018a, 2018b; GCF, 2018a, 2018b; GEF, 2018a, 2018b, 2018c

(ii) **Multilateral development banks (MDBs).**

MDB's are supranational institutions set up by sovereign states, which are their shareholders. Their responsibilities reflect the development aid and cooperation policies established by its member states. MDB's have the common task of fostering economic and social progress in developing countries by financing programs and projects in all sectors of the economy, including forests. Access to funding is done through exchanges between country governments (often through the Ministry of Finance) and the respective MDB.

The world's six large multilateral development banks, World Bank Group (IBRD, IDA, IFC, see glossary), Asian Development Bank (ADB), African Development Bank (AfDB), Interamerican Development Bank (IDB), the European Bank for Reconstruction and Development (EBRD) and others such as the European Investment Bank (EIB) delivered over USD 32 billion in financing in 2017 to help developing countries and emerging economies mitigate and adapt to the challenges of climate change with a considerable part relating to forests and land use.

MDBs provide loans that may be appropriate for directing finance to SFM, in particular where there is secured economic return (e.g. afforestation, combined forest/supply chain link). The World Bank group alone (IBRD, IDA) provided in 2017 credits over US\$ 2.8 billion for agriculture, forestry and fishery combined, out of which 49% went to Africa (World Bank, 2018a). Loans are given at the beginning of an operation/investment and paid back after a period of grace. Concessional loans are given to least developed countries (through IDA); they are extended with more favorable conditions for re-payment and interest rates below market rates. Loans are often combined with other financing instruments, such as grants (GEF, DGF grants, etc). All MDB's implement projects in the forest sector, based on joint programming with its client countries.

(ii) EU Funding

The European Union provides several targeted programmes in the wider field of SFM, REDD+ and forest governance. The most important programmes include;

- **The Global Climate Change Plus Initiative (GCCA+ initiative)** supports climate change projects and programmes in the world's most climate-vulnerable countries. Over 70 national programmes have been supported in the Africa, Asia, Caribbean, and Pacific regions since 2007 as well as regional and multi-country programmes in the GCCA+ (2018).
- **The EU-REDD+ Facility** (managed by EFI with EU-Funds) works with a broad range of stakeholders in REDD+ countries in designing and implementing interventions that reduce greenhouse gas emissions from deforestation and forest degradation through improved forest and land-use governance (EU REDD, 2018).
- **The EU FLEGT Action Plan implementation** (Forest Law Enforcement, Governance and Trade) with a focus on Voluntary Partnership Agreements (VPAs). The EU funds two large initiatives to provide support to combating illegal logging and strengthening forest governance while encouraging sustainable economic development in countries that produce or process timber and export to the EU. The EU-FLEGT Facility is implemented by the European Forestry Institute (EFI) and the FAO-EU FLEGT Programme is implemented by FAO. Up to end of 2018, seven countries have signed a VPA with the EU with a further eight countries working towards VPA agreement. All fifteen countries are currently developing the systems needed to control, verify and license legal timber. FAO-EU FLEGT Programme supports eight further countries in forest governance improvements outside of the VPA structure.
- **EU Funding Instruments and Programmes.** There are several dedicated development programmes with regional focus on countries in Eastern and South-Eastern Europe that provide funding also for forest and forest-based development. Several programs are ongoing, including *inter alia* the European Neighborhood Instrument (ENI); the European Fund for Southeast Europe – EFSE; Danube Region Strategy and others.

(iii) Bilateral finance

Besides classical development cooperation between OECD countries and recipient countries that are mostly of technical nature (“ODA”) new forms of bilateral government arrangements between donor and reception countries have emerged over the past years that provide financial resources, predominantly addressing the role of forests and climate change, FLEGT and FLR. These include, *inter alia* special programmes dealing mainly either with climate change or biodiversity that include forests, and developed by countries such as Germany, Norway and United Kingdom, EuropeAid (EU “ODA” funding), US (US-AID, a number of foundations), France (Afd and FFEM), Japan (JICA), Canada (CIDA), Korea (incl. AFoCo), Australia, Switzerland (SDC/GPCCE) and multilaterally organized coordinated funds such as the Nordic Development Fund of the Scandinavian countries with the scope to facilitate climate change mitigation investments in low-income countries.

Several large programs dealing with forests and REDD+ have emerged at bilateral level over the past 10 years. Access to such funding is based on bilateral cooperation agreements. The major bilateral programmes include:

- **German forest-related bilateral funding** through (i) the Federal Ministry of Food and Agriculture (BMEL) promotes sustainable forest management in Africa, Asia, Latin America, and Eastern Europe. Project activities to support SFM and against deforestation and illegal logging are funded with about 6.5 mill. euro annually. (ii) the

Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), including targeted bilateral funds through the International Climate Initiative IKI (2018). Since 2008 it has supported more than 500 climate and biodiversity projects. The total project volume since 2008 amounts to 2.3 billion euro. It is implemented through GIZ, KfW, multilateral UN organizations multilateral development banks, NGOs, research and private companies. (iii) the Federal Ministry for Economic Cooperation and Development (BMZ) provides bilateral funding under the "classical ODA approach" in programs in the forest sector in 45 countries which are implemented by GIZ and KfW with focus on REDD, sustainable forest management, restoration of forest landscapes, deforestation free supply chains and protection of biodiversity. As a pilot program for results-based finance the REM (REDD Early Mover)-Programme, jointly implemented by KfW and GIZ, rewards evidenced emissions reductions from deforestation at national or subnational scale in pro-active REDD+ countries. The total project volume of forest related funds of the BMZ amounts to more than 2 billion euro.

- **The Norway International Climate Change and Forest Initiative (NICFI)**. With an overall aim to save the world's tropical forests, Norway pledged up to 3 billion NOK a year since 2008. While the initiative was originally thought to last until 2020, the Norwegian government has since promised to extend it through 2030. Norway has so far supported efforts to reduce deforestation in more than 70 countries.
- **The United Kingdom's International Climate Finance (ICF)** is a programme implemented by three government Departments (DFID, BEIS and Defra) to address climate change according to the UK's overall aid strategy £5.8bn are invested in ICF between 2016 and 2021. In forestry, ICF supports work to halt deforestation and create new supply chains that are both profitable and sustainable.

Apart from these, "**blended finance**" is a further category of non-multilateral DFIs, which target in one way or other forestry / forest value chain investments, include:

- <https://www.fmo.nl/news-detail/9fcf9ba8-9ed6-477f-b9cc-284730fb9b95/fmo-launches-global-forestry-program-to-mitigate-climate-change-with-west-african-and-se-asian-investments>
- <https://www.finnfund.fi/en/investing/sectors/forestry/>
- <https://www.cdcgroup.com/en/our-investments/investment/miro-forestry-company/>
- <http://www.proparco.fr/en/utilising-developing-and-preserving-forests-finding-balance>

(iv) Foreign Direct Investments (FDI)

According to a definition of the IMF, FDI is a category of international investment made by a resident entity in one economy with the goal of establishing a lasting interest in an enterprise, resident in an economy other than the investor's. For many developing countries foreign direct investment (FDI) has become the largest source of external finance, surpassing official development assistance, remittances, or portfolio investment flows (World Bank, 2018b). In 2016, more than 40% of the nearly \$1.75 trillion of global FDI flows was directed to developing countries, providing much-needed private capital (World Bank, 2018b). The benefits of FDI extend well beyond attracting needed capital. Foreign investment eventually provides technical know-how, managerial and organizational skills, and access to foreign markets. Thus, FDI has a significant potential to transform economies through innovation, enhancing productivity, and creating stable jobs in host countries, including in forests and the land-use sector overall, as well as in the associated industries. Based on findings of a forthcoming report of IFC (cited in World Bank, 2018b), foreign investors are becoming increasingly prominent players in delivering global public goods, addressing climate change, improving labor conditions, setting global industry standards, and

delivering infrastructure to local communities. Examples of FDI are long-term forest concessions combined with first and second transformation units operating in all forest biomes.

BOX: Foreign Direct Investment (FDI): Lessons learnt, best practice and guidance

Private sector operators produce directly relevant high-quality reports on forest-based investments that are presented in public conferences / seminars etc. including inter alia:

- <http://www.criterionafrika.com/wp-content/uploads/2017/06/Allocating-Capital-for-Maximum-Impact-in-the-Africa-Forestry-Sector.pdf>
- https://induforgroup.com/wpcontent/uploads/2017/08/the_state_of_forestry_plantation_investments_in_africa.pdf

The access to such relevant and good quality reports however is difficult. A way to get these reports would be that (similar as the system of the IATI registry, that private sector themselves to submit such information to the Clearing House directly. That requires that the Clearing House gains its credibility and value also in the eyes of such private sector entities.

(v) Innovative financial mechanisms for SFM / sustainable landscapes

Capital instruments channel funds towards sustainable forest and land use. Grants and loans are well established funding channels in the forest sector that may be effective as funding sources from the early stage of an investment. New approaches however have arisen over the past years that might find its way into SFM funding, including results-based payments and equity capital for developing projects and possibly bonds that have the potential to upscale successful investments. Innovative financial instruments to channel finance to sustainable forest management, include:

▪ Results-based Payments

RbPs are a new form of policy and incentive instrument to pay for public services effectively rendered, including reducing deforestation and forest degradation, conservation and sustainable management of forests and enhancement of forest carbon sinks. With RbP a donor pays for the results achieved (e.g. verified emission reduction in forests). The approach is also known as Phase-3 of the REDD+ scheme, implementing verified emission reductions in the forest sector. Programmes that are being implemented under a Results-based payment scheme include the German REDD Early Movers Program (REM), effective since 2014 and the FCPF Carbon Fund that is about to start ER-Programs in 2019 and the GCF REDD+ pilot program (not yet fully operational).

▪ Equity (a component of FDI)

Equity capital is given in exchange for a share of a business. E.g. in the case of SFM, equity investors potentially invest in certified timber and NTFP production. There are several operational equity funds active at the wider forest/ES and landscape “market” in 2018 including *inter alia* Althelia Climate Fund (ecosystems conservation and sustainable agroforestry), Moringa Fund (developing sustainable agroforestry systems), Permian Global (protection and recovery of natural forests to mitigate climate change), Terra Bella Global Fund (early-stage project finance capital to high impact community-based forest and agricultural emissions reductions projects). Also, it is worth mentioning so-called Timberland Investment Firms (e.g. Quantum Global, Miller Forest Invest, Sharewood, Life Forestry, Forest Finance and others) promoting mainly timber plantations). The Katoomba Incubator of Forest Trends supports projects to become attractive for equity funds. Acumen is a type of fund that helps to bring equity capital providers in regions where such investments are absent.

▪ Bonds

A bond is a financial instrument for raising funds from private capital markets in exchange of a later pay-back including interest payments. Bonds are optimized for the needs of the financial market and they have high liquidity and are standardized. Bonds can mobilize large amounts of funds. Green bonds are being designed for climate change and natural resource management. Bonds are suitable to be used in a wider portfolio approach to scale up financing of existing, well- introduced management and restoration schemes that generate returns. Generally, a concrete example on the use of bonds does not exist in the forest sector.

Note: Over the past few years, there has been increased interest by the international forestry community to develop on the role of forests in wider landscapes and the topic of forest landscape restoration (FLR) and climate change. New international initiatives appeared such as the 2011 Bonn Challenge and the 2014 New York Declaration on Forests, the creation of the Global Landscape Forum and the Global Partnership on Forest and Landscape restoration, to name a few. FLR is embedded as a goal in the SDGs and in the Global Goals of the United Nations Strategic Plan for Forests. It is also rooted in the approaches of REDD+ to address forest degradation and enhancement of sinks. Annex 2 comprises a short synopsis on financing FLR, based on a recent report commissioned by ITTO (2018).

Also, the UNEP (2018b) Climate Change Platform lists 42 initiatives under the key word “forestry”. The GFFFN CHM would need to make references to such data banks and closely monitor their further development.

2.3. Overview of existing Clearing House Mechanisms and lessons learned

This section provides a short overview over existing CHMs of which some are related to forests, by (i) describing the tool, (ii) analysing the tool's current state and (iii) assessing the tool with a focus on operationality, user friendliness and the data quality as well as quantity. Due to the size of the table the results are presented in Annex 1. Although not all CHM listed in the table cover forest related finance, they were included to provide a broader overview of interesting and informative examples.

The bullet points below compile lessons learned during the analysis of the existing CHMs and are structured into positive aspects and hampering aspects.

(i) Positive aspects of existing CHM in regard to forest financing CHM

- The **Foundation Maps** and the **SFM Toolbox** can be seen as a good example in terms of design and user friendliness.
- The **Global Forest Information System GFIS** gathers data automatically. Even if the information on GFIS cannot be compared directly with the kind of information needed for forest financing CHM, automatic data gathering seems to be a wise way to keep a CHM up to date. Timeliness of data proved to be one of the most critical aspects of a CHM.
- The **CPF - Sourcebook for funding sustainable forest management** is the only real example for a forest financing CHM and a good example for a user friendly and easily searchable database.

(ii) Hampering aspects in existing CHMs

- Tools as for example the **Global Clearinghouse for Development Finance – GlobalIDF** and the **ASEAN Clearing-House Mechanism** reveal the most important issue to address during CHM development which is that the continuous updating of the database must be planned and budgeted from the beginning. This argument was also made in the report by McAlpine and Church (2018). They suggest that there needs to be an agreed policy to review and update databases. Moreover, they suggest involving senior supervision to ensure compliance with agreed definitions and parameters.
- The **CPF - Sourcebook for funding sustainable forest management** is an example for the importance of up to date databases. Even if the Sourcebook is a good CHM from a 2011 perspective in terms of user friendliness, the fact that it has not been updated ever since limits its current usefulness.
- Based on the assessment made by the consultants to prepare this report, it seems that CHM such as for example the **ASEAN Clearing-House Mechanism**, the **CPF - Sourcebook for funding sustainable forest management** and the **CBD - Clearing-House Mechanism** where created with expectations that were too high regarding the quality and quantity of the data. This obviously resulted in data being rapidly out-dated, incomplete or flawed. The challenge faced is what can we learn from these examples and how could we avoid falling in the same trap.

2.4. Database requirements, components and categories of information

Sections 2.1, 2.2 and 2.3 presented the needs of potential future users of the clearing house, provided an overview of procedures for accessing resources for forests from existing multilateral funding institutions and derived practical lessons on clearing house management from a review of experiences with existing clearing houses.

Furthermore, possibilities for linking the GFFFN clearing house with national forest finance clearinghouses need to be considered. This includes supporting the design and development of such national clearing houses for SFM in general, including the broader themes of forests and climate change (REDD+), FLEGT, FRL (incl. Bonn Challenge) and Biodiversity conservation. Examples are:

- Development and maintenance of a database on “forest” projects (completed, e.g. over the past 5 years; on-going; being planned or targeted) in the country;
- Sharing information nationally among all interested parties /public and civil society
- Taking proactive action for improved intersectoral coordination and interagency collaboration in the broader SFM financing based on information collected;
- Collecting and reporting information on forest financing flows in the country (including all sources, public, private, national and international); and
- Acting as the national link (and information provider) to the GFFFN clearing house.

This information together with the findings in the reports by Simula (2018) as well as McAlpine and Church (2018) needs to be channelled into the development of a future GFFFN clearing house.

These various categories of information fed into the suggestions for the structure of a clearing house, which is presented in section 2.4. While IT specialists are necessary to advise on the technical development and design of the clearing house, this report seeks to synthesize existing information categories with needs expressed by potential users to refine previous suggestions for the clearing house structure.

2.5. Structure and elements for a clearing house, lessons learned and best practices on forest financing, and the information sources

Building on previous suggestions for a clearing house (see Box 1), this section presents a draft mission of the clearing house as well as a figure with a proposal for the clearing house structure. Individual elements of this structure are discussed subsequently.

The mission of the clearing house of the GFFFN is to serve as:

- A comprehensive up-to-date database on forest financing opportunities and financial flows for sustainable forest management, drawing and building on existing initiatives and sources of information.
- A web-based interactive platform for the exchange of data, lessons learned and best practices among users, including, for example, on project conceptualization.
- A source of data for assessing progress on target 15.b of the Sustainable Development Goals and global forest goal 4.

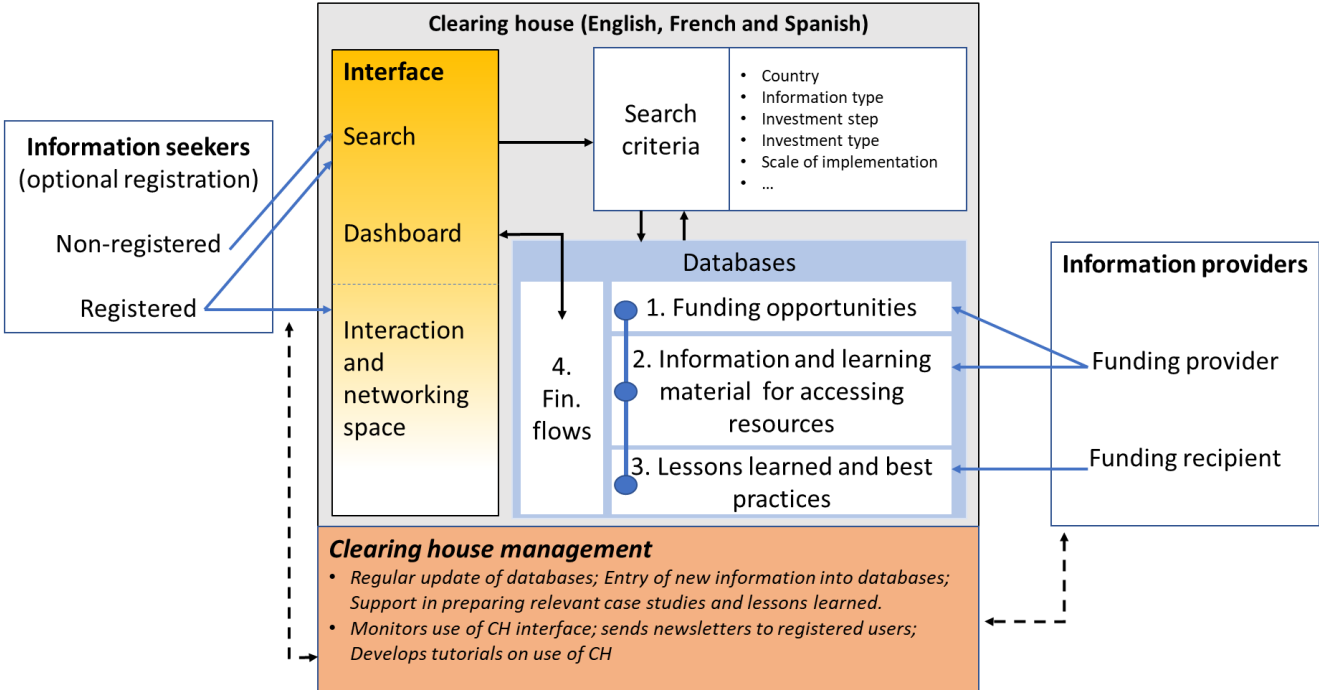


Figure 6: Proposed structure of the clearing house (Source: own drawing building on figure representing SFM toolbox)

Information seekers

Any individual interested in financing for SFM can visit the clearing house website as information seeker. All users can retrieve information from the databases through the search interface. The search functions should be equally open to registered as well as non-registered users.

Registered users will additionally have access to a moderated interaction and networking space.

Registration

An option to voluntarily register will be offered on the interface. Registration will allow the clearing house management to better survey and adapt the use and content provided in the website. Only registered users will be allowed to use the interaction and networking space.

Information providers

Information providers can be funding providers or funding recipients. They either approach the clearing house themselves or are approached by the clearing house management and asked to provide information. Information can be on funding opportunities, best practices (e.g. on risk mitigation approaches), and lessons learned. The information is collected in a structured way by the CH management and fed into the databases accordingly. A time schedule with specified update intervals needs to be agreed upon between an information provider and the CH management.

Clearing house management

Following a communication strategy, the CH management interacts with information providers (e.g. by requesting information from them) and information seekers, e.g. by sending a newsletter to registered users. The CH management is responsible for regularly updating the information contained in the databases. The CH management moreover has a supervisory function for the interaction and networking space (e.g. in the form of a forum administrator).

Clearing house languages

The clearing house should be made available in English, and in a phased development translation to French and Spanish should be considered.

Interface

The interface will be kept as simple as possible. It should contain the search criteria, a registration option and a login for the interaction and networking space.

Dashboard

On the interface page an interactive dashboard will allow users to create their own forest finance report. Based on selected criteria (e.g. countries, investment step, donors) figures, tables or maps providing a quick overview of forest finance flows is generated and available for download. The date of last database update needs to be clearly stated on the output documents.

Search criteria

Based on the results of the online survey, the search criteria used in the CPF Sourcebook remain valid. Suggested additional search criteria are “thematic area”, “scale of funding opportunities”, and “investment step” although the latter was only moderately popular in the survey.

Based on the FAO (2017), there is also a need to identify funding targeted to smallholders and SMFEs, women entrepreneurs, forest dependent people, and other marginalized sections of society.

Ideally, these search criteria could be available for each database, i.e. allowing users to search by these criteria either among funding opportunities, information and learning material for accessing resources, or lessons learned and best practices.

However, as suggested in the report by McAlpine and Church (2018), criteria, definitions and parameters need not be cast in stone. Search criteria may rather require periodic reassessments and corresponding changes as new programs develop and older ones phase out.

Databases

Three interlinked databases will form the heart of the clearing house mechanism. The first will contain information and links to the funding opportunities, the second will contain information and learning material for accessing resources and the third will contain lessons learned and best practices. Only the CH management will have editing rights (or can delegate the editing of information to some other entity).

The fourth database contains information on forest finance flows. This database is accessed via the dashboard configurator on the interface. The information needs to be updated on a regular basis (e.g. every 6 months). See section 3 of the report for information on forest finance data sources.

In the online survey, some respondents mentioned that they would appreciate an additional database containing information of projects needing funding.

Interaction and networking space

Several options are available to allow users to interact online and establish a network. Some advantages and disadvantages of different options are listed below.

- **Forum:** A special set of rules and policies needs to be developed for a forum. Any user can start a thread but maintaining and moderating a forum is time consuming. However, as stated by the UNFF Secretariat, this might not be permitted on UN websites. Alternative choices may be considered based on reconciliation of needs and technical feasibilities.
- **Blog:** A blog could be used to communicate new information from clearinghouse management to users. However, it needs to be clarified if authorization to the contents may be required by the UN/UNFFS according to relative UN rules.)
- **Email list server:** allows all users to send information or questions to all other users who have subscribed to the list server. According to the UNFF Secretariat, this is not permissible on UN email lists. An alternative could be to consider Google groups instead.
- **Newsletter:** Newsletters could be used to disseminate information from the clearinghouse management to information seekers and information providers.

3. Measures to improve data on forest financing

Data on forest financing is necessary to measure the achievement of international targets such as target 15.b of the SDGs or goal 4 of the Global Forest Goals. Without data, progress cannot be monitored, and the goals and targets would run the risk of falling off the international agenda.

The following section identifies gaps in forest financing data. The second section discusses data providers to the GFFFN clearing house, in the sense of a ‘clearing house of clearing houses’. The third section briefly refers to data on existing goals and targets on financing SFM and makes a proposal for the integration of this information into the clearing house mechanism. The fourth section specifically addresses SDG 15.b and GFG4 in this regard.

3.1. Gaps in data related to forest financing

Various initiatives were designed and implemented in recent years that target forests. Many of these include forest financing in their set of indicators to measure progress. Accordingly, there is an increasing need for data on forest financing. In some cases, the necessary data may already be available. In others there may however be major gaps in data availability. Gaps in data become overt when monitoring of progress on forest finance targets is hampered due to insufficient information availability. For the purpose of this report, a three-step approach was chosen to map gaps in forest financing data.

- First a query was run on the UNEP (2018a) climate initiatives platform to retrieve initiatives that have forestry as a theme and financing as a function. The resulting list contained the African Forest Landscape Restoration (AFR100), the BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL), Climate and Land Use Alliance (CLUA), R4 Rural Resilience Initiative, and the Rainforest Alliance. The SDG15, the GFG4, the Bonn Challenge and the New York Declaration on Forests (NYDF) were further added to this list by the authors.
- In a second step, data required by these initiatives was listed.
- Finally, the availability of the data was assessed based on documentations related to the initiatives or targets that were available online. The results are presented in Table 3. The Rainforest Alliance is not included in the table because a requirement on forest financing data was not found.

Table 3 : Data needs and data availability

Type of data	Data required by Initiative / target	Availability		Notes
		yes	no	
Public forest financing (national, bilateral, multilateral and triangular)	SDG 15.b.1 GFG 4.1, 4.2 NYDF 8.1.1, 8.1.2 ISFL 3.2 CLUA	x		Biodiversity-marked ODA spending
Private financing	GFG 4.2 NYDF 8.2 ISFL 3.1 CLUA	(x)		Forest Trends? Others? GFG required data will be collected by means of standardized national reporting
Philanthropic / civil society financing	GFG 4.2 ISFL 3.2	(x)		Forest Trends? Others? GFG required data will be collected by means of standardized national reporting
The number of countries which have developed and implemented forest financing strategies	GFG 4.4	(x)		Data will be collected by means of standardized national reporting (UNFF)
Number of countries that have access to financing from all sources	GFG 4.4	(x)		Data will be collected by means of standardized national reporting
FLR supportive financial flows	Bonn Challenge AFR100 20x20	(x)		Bonn challenge barometer (is currently being developed)
Investments in sustainable commodity production and conservation	NYDF 8.2.2	(x)		Data available for 2017 report, but reporting for 2018 was data constrained.

The information summarized in Table 3 reveals that many data collection efforts are underway, e.g. the national reporting on the GFG goals and the Bonn challenge barometer (IUCN, 2018a). None of the data needs completely lack a data source, assuming also that the ongoing new data collection efforts will soon be functional.

However, the data voluntarily reported on progress towards the implementation of the United Nations strategic plan for forests 2017–2030 (UNFF 2018b) is largely narrative and will allow for qualitative rather than quantitative assessments (see Annex 1 of E/CN.18/2018/4). For example, a question is “Since 2015, has your country (the Government, the private sector, communities, civil society or others) been able to mobilize significantly increased financial resources for the implementation of sustainable forest management”. The answer categories are Yes or No. A specification of what ‘significantly increased financial resources’ implies is not provided, leaving much room for interpretation.

3.2. Potential data providers to the GFFN clearing house

The data to be compiled in the clearinghouse will be derived from various sources (that need to meet a certain level of standards still to be defined). In a first step, it would be important to prepare a long-list of possible contributors that can help to provide data on financing sources that are operational over a longer period and accessible to developing and CIT countries without major restrictions.

A good overview on the landscape of financing SFM and FLR including development cooperation resources, climate finance, environmental funds, non-governmental organisations funding, private sector direct investments and other opportunities has been prepared by FAO and Global Mechanism of the UNCCD (FAO and UNCCD, 2015c). Major efforts to develop in sources of funding and investments are being made in the framework of the REDD+ agenda to implement the Paris Agreement and in the wider framework of the various initiatives and processes in the framework of the Forest (and) Landscape Restoration agenda (see Report ITTO, 2018). A report on Mapping Forest Finance gives a good overview on the landscape of available sources of finance for REDD+ and climate action in forests (Lujan and Silva-Chávez, 2018). In addition, the FAO (2018a) forest finance website gives a comprehensive overview on FAO's work on forest finance globally.

The matrix in Table 4 presents suggestions for data sources structured by investment step. It is developed along the lines of the proposed components for the GFFN clearing house:

- Database on sources of financing and financial opportunities for forests/SFM to benefit developing/CIT countries and their stakeholders
- Database/web portal for sharing of lessons learned
- Database of best practices from successful projects that includes clearly defined thematic scope of the database
- Database on forest financial flows.

Table 4 below is a first attempt to explore cooperation arrangements with other organizations/databases and makes references to other organizations /programs that offer support to address the 4 proposed key components of the CHM. They are often linked to climate change approaches (e.g. implementing NDCs or adaptation programmes among others). Data are generally available for learning and best practices for initial investment phases for all types of forest-based financing, while information on policy and measures, implementation investment and links to sustained financing are difficult to find or simply not existing yet.

The International Aid Transparency Initiative (IATI) may serve as a data source for information on financial flows. IATI defines itself as “a global initiative to improve the transparency of development and humanitarian resources and their results for addressing poverty and crises.”² Adhering to the IATI Standard (a set of rules and guidance for data publishing) various organizations contribute to this database. These include donor governments, development finance institutions and UN agencies as well as non-governmental organisations, foundations and private sector organisations [Reference to website]. The data can be visualized through the website www.data-portal.org. A search run for entries in the sector group “Forestry” (as per 24.01.2019) revealed data on 3548 projects in total, of which 541 are listed as active projects, 2879 as ended projects, 1 as planned project and 127 as “other” projects. Almost 60% of the total monetary volume of the listed projects dating back to 1989 in the sector group “Forestry” were funded by the German International Climate Initiative, 8% by the World Bank Group and 7% by EU Institutions. Although the data contained in IATI may serve as one source of information, it is not representative and runs the risk of providing an image that can easily become skewed toward donors who are pro-active in reporting in IATI.

² <https://iatistandard.org/en/about/> (accessed 24.01.2019)

Table 4: Potential data providers.

	Initial up-front investment/readiness investment	Implementation Investment	Sustained financing (Landscape and forest products and services or PES)
Funding opportunities	- GCF readiness - EDF/Forest Trends - FAO forest finance - CPF Sourcebook	- REDD+CF of the Rainforest Nations	- The Global Canopy Program - WRI Finance Center - GEF7 financing instructions
Information and learning material	- UN-REDD - FCPF Readiness - FAO/ and Global Mechanism UNCCD - FAO forest finance	CIF/FIP learning platform DGF evaluation	- GCF Project Toolkit 2017 project dev. guide
Lessons learned and best practices	- FCPP Readiness - UN-REDD - GFOI - Katoomba Group - FAO forest finance - CPF members experience	- Unlocking forest finance	FAO forest finance
Financial flows	- IATI - DAC/OECD reporting	- IATI - Forest Trends	- IATI** - Forest Trends* - CPF Forest Finance Group

Sources: Fayolle et al., 2017; CfRN, 2018; FAO, 2018a; Forest Trends, 2018; GFOI, 2018; Global Canopy, 2018a, 2018b; OECD, 2018a; WRI, 2018

*Forest Trends: [State of Private Investment in Conservation](#) report, released in 2016, which includes data on finance for sustainable forestry, sustainable agriculture and for investments in habitat conservation (via forest carbon projects, conservation easements, etc.); and [State of Forest Carbon Finance](#) report, released in 2017, which includes data on Forest carbon offset transactions and payments for REDD+ programs

** Outsourcing data provision to IATI with gathering the extra data may be an option to explore further, given that the IATI databank already “own” the customers (i.e. content providers, users) and thus might have considerable cost advantages

3.3. Proposals on the use of existing sources of data

Proposals on the use of existing sources of data on the progress towards achieving inter-governmentally agreed goals and targets on financing SFM and its incorporation into the GFFFN-CH online function

The need for data on forest financing is increasing with the number of initiatives and corresponding pledges for national, bilateral or multilateral funding and investment. Table 3 maps the data needs of a selection of larger initiatives. The data reported on progress towards the implementation of the United Nations strategic plan for forests is expected to become a major source of information on forest financing next to the biodiversity marked ODA data compiled by OECD. However, the former mostly asks for qualitative rather than quantitative data.

It may be worth considering revising the survey and to request additional quantitative data. This could harmonize data collection across countries in an efficient manner, given that the qualitative data anyhow needs to be reported.

3.4. Assessing progress towards achievement of the SDG 15.b and GFG4

Methods, tools and sources of data to assess the progress towards achievement of the SDG15.b and GFG4

Overview

The Global Forest Goals (GFG) which were adopted in 2017 aim to contribute, *inter alia*, to progress on the Sustainable Development Goals. SDG target 15.b states a means of implementation for SDG goal 15, “Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation”. This wording is reiterated in target 4.1 of the GFGs. Targets 4.2 and 4.4 of the GFG also address forest financing while targets 4.3³ and 4.5⁴ rather focus on research.

As can be seen in Table 5, SDG target 15.b has one indicator. While almost all SDG indicators are in one tier only, this indicator is among the five that are classified in several tiers, which implies that different components of the indicator are classified into different tiers (see Box 2 for an explanation of the tiers). Interestingly, the wording of SDG indicator 15.b.1 for target 15.b is identical to indicator 15.a.1 for target 15.a which is “Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems”.

Box 2 : SDG goals, targets and indicators.

The Agenda 2030 contains a set of 17 sustainable development goals. Specific targets have been identified for each goal; overall there are 169 targets. These targets can further be subdivided into 124 development results, i.e. specifications of the desired outcomes and 45 targets on means of implementation. The latter are identified by a lower-case letter attached to the goal number (e.g. 15.b) rather than a number. However, some of the development result targets may also be interpreted as means of implementation (OECD 2016). The ‘means of implementation’ targets were introduced later in the SDG negotiation process and served to accommodate concerns on how the SDGs should be achieved (Bartram et al., 2018).

For each target there are one or more indicators that measure progress. However, the data availability and methodology to compute the indicator values is not equally well established for all indicators. A classification system consisting of three tiers is used to express how far the indicator development is. The three tiers are defined as:

“Tier 1: Indicator is conceptually clear, has an internationally established methodology and standards are available, and data are regularly produced by countries for at least 50 per cent of countries and of the population in every region where the indicator is relevant.

Tier 2: Indicator is conceptually clear, has an internationally established methodology and standards are available, but data are not regularly produced by countries.

Tier 3: No internationally established methodology or standards are yet available for the indicator, but methodology/standards are being (or will be) developed or tested.” (Inter-agency and Expert Group on SDG Indicators (IAEG-SDGs), 2018)

For further details on the tier classification see the UNSTATS (2018) Tier Classification for Global SDG Indicators⁵

³ 4.3 North-South, South-South, North-North and triangular cooperation and public-private partnerships on science, technology and innovation in the forest sector are significantly enhanced and increased.

⁴ 4.5 The collection, availability and accessibility of forest-related information is improved through, for example, multi-disciplinary scientific assessments.

⁵https://unstats.un.org/sdgs/files/Tier%20Classification%20of%20SDG%20Indicators_15%20October%202018_web.pdf

Table 5 : SDG and GFG goals and targets on SFM financing

	SDG	GFG
Goal	Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Goal 4: Mobilize significantly increased, new and additional financial resources from all sources for the implementation of sustainable forest management and strengthen scientific and technical cooperation and partnerships.
Targets on forest financing	15.b Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation.	4.1 Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation. 4.2 Forest-related financing from all sources at all levels, including public (national, bilateral, multilateral and triangular), private and philanthropic financing is significantly increased. 4.4 The number of countries which have developed and implemented forest financing strategies and have access to financing from all sources is significantly increased.
Indicator	15.b.1 Official development assistance and public expenditure on conservation and sustainable use of biodiversity and ecosystems.	
Custodian Agency(ies)	Possibly OECD, UNEP, World Bank	
Updated Tier Classification (by IAEF-SDG Members)	Tier I/III	

(Note: Tier classification of indicator 15.b.1 as of October 15th 2018.)

See also work on SDG Indicator 15.2.1 “Progress towards sustainable forest management” on the Development of a global core set of forest indicators to support the implementation of the 2030 Agenda on Sustainable Development and the IAF Strategic Plan Background paper⁶ submitted end of 2016 with the expectation that the indicator status will be revised to Tier 1. The revised indicator includes 5 sub-indicators: 1. Forest area annual net change rate 2. Above-ground biomass stock in

⁶ <http://www.cpfweb.org/45387-094b703e8607f5cf1d3d410a6c67d9686.pdf>

forest 3. Proportion of forest area located within legally established protected areas 4. Proportion of forest area under a long-term forest management plan 5. Forest area under an independently verified forest management certification scheme.

Currently used data for indicator 15.b.1

OECD compiles data on official development assistance (ODA) that flows from donors to DAC-list (Development Assistance Committee) countries. Statistical reporters in the national administrations annually report this data. Since 2002 a biodiversity marker is available that identifies ODA flows that have biodiversity as a principal or significant objective.

Further information on the methodology for data collection and computation of indicator 15.b.1 is summarized in the OECD (2018b) document on goal 15 metadata⁷.

The SDGs report of 2018 states that “In 2016, bilateral ODA in support of biodiversity was \$7 billion, a decrease of 21 per cent in real terms since 2015.” (ECOSOC, 2018)

⁷ <https://unstats.un.org/sdgs/metadata/files/Metadata-15-0A-01.pdf>

4. Next steps

Finally, as the consultants propose as next steps in developing the clearing house the following:

- Allocate staff time for clearinghouse development and maintenance from the UNFF Secretariat/GFFFN (1 coordinator 70%; 1 scientific collaborator 70%, IT regular support (40%)
- Define and assign TORs for the clearinghouse management
- Set priorities for a functional clearinghouse 2020: develop the contents elements for the
 - Data Base on Funding opportunities
 - Data base on Learning material for accessing resources
 - Data base on Lessons learned and best practices
- Set up the list of input providers for nourishing the three Data Bases operationalized in step 1
- Explore collaborative efforts with IATI Registry
- Discuss technical options with website developers [Get inspiration by the existing CHM]
- Create IT advisory group with different stakeholders that will be consulted for practical testing throughout the technical IT development phase
- Define and test a set of search criteria
- Design the interface with simple access/dashboard
- Define clearinghouse development process and timeframe with IT experts.
- Once prototype is available conduct a pre-test and finalize the process
- Explore relevant partnerships, focus on UNDP (iatistandard.org, OECD/DAC, Forest Trends)
- Define collaboration arrangements with information providers
- Develop and implement a communication plan to propagate information on existence of CH
- Define criteria and time plan for evaluation of cost and benefit related to clearinghouse
- Consultancy work on Data Base development and Financial flows and further develop reporting elements for monitoring of progress towards GFG-4.

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6. Annex

Annex 1: Overview of existing forest financing Clearing House Mechanisms

Forest funding Environment Funding (others)	Name	Host	Short description	Current state and assessment of the CH ⁸
X	CPF - Sourcebook for funding sustainable forest management	Collaborative Partnership on Forests CPF	Developed to help users efficiently locate global funding sources for SFM projects. Information on funding sources, policies and delivery mechanisms, with a focus on projects in developing countries. Funding sources include e.g. donor agencies, CPF members, international forest organisations, developments banks, private sources, and international NGOs. Developed and maintained by FAO in collaboration with CPF members, the main component of the sourcebook is a database containing information on over 600 SFM related funds.	<p>Database was last updated in 2011; research of a consultant to the GFFFN showed of 44 entries sampled at random, the web addresses of 22 (i.e. 50%) were either broken or directed to sites or subsites not immediately relevant. The same consultant reports anecdotal information that the database was well used, especially in its early stages of going public.</p> <p>From a technical perspective the Sourcebook is a user-friendly and very informative tool. The initial quality and quantity of the data is very high. The design might be outdated and visualization of grants' locations on a map might be desirable.</p> <p>The main problem of the Sourcebook is that the information is not up to date. I can be assumed that a considerable financial and personal effort is needed to gather relevant information as information are not transmitted automatically to the CPF.</p> <p>The Sourcebook can be seen as a very good example for "lessons learned" during a GFFFN CHM elaboration process.</p> <p>The sourcebook also reveals the necessity for a sound conceptualization of future database updating processes during the planning stage.</p>

⁸ Personal appraisal of this report's authors. Main focus is on operationality, user friendliness and the data quality as well as quantity.

X	X	SFM Toolbox	Food and Agriculture Organization FAO	<p>Collates a large number of tools, case studies and other resources, organized into topics (“modules”). It has been created to provide forest owners, managers and other stakeholders with easy access to information on SFM</p> <p>As of January 2016, the SFM Toolbox had 34 “live” modules, including a total of 584 tools and 579 cases, and it is planned to create another 16 modules in 2016.</p> <p>Contains one small module on forest financing.</p>	<p>The SFM tool is up to date. The design is pleasing and the website easy to use. However, this is a toolkit providing useful information on practical implementation on SFM but not a CHM aiming to connect stakeholders (e.g. grant donors and recipients). It seems to be unlikely that the concept of the SFM toolkit can be used as a model to create a CHM.</p>
	X	ASEAN Clearing-House Mechanism	ASEAN Centre for Biodiversity ACB - ASEAN Secretariat	<p>Regional learning platform for Southeast Asia launched in 2004 to facilitate forest policy -coordination and -learning among ASEAN Member States and beyond. Designed to promote networking and holistic knowledge management between ASEAN stakeholders, processes and institutions. It is designed for information- and knowledge-sharing as well as communication among forest-related ASEAN mechanisms and also serves as a tool for enhancing communication and interaction with other ASEAN stakeholders and the broader public.</p>	<p>Several sections of the CHM the website are up to date, others have not been updated since 2011 or earlier, some links do not exist. The linked national CHM websites are only partly outdated or links not working.</p> <p>CHM on knowledge-sharing but not on forest financing. CHM with a many-layered objective and thus, the structure and the content of the website become rather confusing. The purpose of the CHM is often not clear. The CHM should be a nodal point for the national CHM which often do not exist or are not very detailed.</p>
	X	CBD - Clearing-House Mechanism	Convention on Biological Diversity CBD	<p>This CHM’s mission is to contribute to the implementation of the CBD and its Strategic Plan for Biodiversity 2011–2020, through effective information services and other appropriate means to promote and facilitate scientific and technical cooperation, knowledge-sharing and information exchange, and to establish a fully operational network of parties and partners. The CHM three major components are:</p> <ol style="list-style-type: none"> 1. CBD website, which acts as the central node of the mechanism 2. Network of national clearing-house mechanisms 3. Partner institutions. 	<p>The CBD website is up to date, but data on national CHM is partly outdated. The national CHM websites are partly outdated.</p> <p>The CBD apparently defines CHM in a broader way rather as a connecting tool between CBD, national CBD agencies and other institutions than as a data base for specific data. This makes the CBD CHM on hand a very large network of independent players but on the other hand makes it rather uncontrollable in terms of content and maintenance of data.</p> <p>CBD CHM does not directly provide data on forest finance.</p> <p>Due to the above considerations, the structure and the content of CBD’s CHM might not be a fundament for a GFFFN CHM.</p>

X	Global Forest Information System GFIS	International Union of Forest Research Organizations IUFRO and CPF	<p>The GFIS is a CPF initiative hosted by IUFRO aiming to provide easy access to forest information worldwide. Information is provided by more than 350 organizations worldwide concerned with forests and forestry.</p> <p>Through a bottom-up approach, partners determine the volume, coverage and type of information they would like to share through GFIS. The underlying assumption behind the development of GFIS is that its partners share a common need for information sharing. Information is mainly retrieved automatically from RSS feeds maintained by partners⁹.</p>	<p>Up to date and automatically updated by RSS feeds.</p> <p>The approach to use RSS seems to be useful as once an information provider has registered to the feed, changes on the information providers' feed will automatically be "transmitted".</p> <p>However, RSS is mainly a tool for news portals and it has to be clarified if RSS can also be useful for GFFFN CHM purposes. The question is how the information of the RSS feed can be integrated in the CHM database in an easy and appropriate way (automatically or manually). However, even if this would be manually, the information has not to be gathered on each and every single website but on one single central website under the control of GFFFN CHM. As collecting data and keeping them up to date is one of the most time consuming, most costly and thus most critical points of such data bases, RSS might be an interesting option to discuss further.</p>
X	Foundation Maps	The Foundation Center	<p>Database on the United States of America's - and, increasingly, global - grant-makers and their grants. Databases of information on more than 108 000 foundations, corporate donors, and grant-making public charities in the US and over 3 million of their recent grants.</p> <p>The database contains comprehensive information on grants over the years, as well as the donors and recipients of these grants. The database also shows information on the stream of cash between donors and recipients and the connection between the various donors and recipients.</p> <p>The database is structured as a world map with the option to show results using different filters such as subject area or geographical area.</p>	<p>Up to date</p> <p>As the data are mostly limited to U.S. grant-makers, data on forestry outside of the U.S. are limited and important players in forest financing not based in the U.S. are therefore missing too.</p> <p>The structure and design of this tool is very user-friendly and self-explaining.</p> <p>Apart from the limitation to U.S. grants, the data are very comprehensive and up to date.</p>

⁹ RSS (Rich Site Summary): format for delivering regularly changing web content. Many news-related site and other online publishers syndicate their content as an RSS Feed for others. RSS allows aggregators, such as GFIS, on the Internet to view and use the information you provide from your website. IUFRO (2018).

X	Knowledge Services	The Foundation Center	<p>The Foundation Center's Knowledge Services is a collection of seven different online tools:</p> <ul style="list-style-type: none"> ✓ Foundation Maps: data visualization platform (see details beneath) ✓ Foundation Ideas: collections of reports, evaluations, and case studies ✓ Foundation Landscapes: issue-based web portals for scanning and collaboration ✓ Foundation Research: custom research on trends in philanthropy ✓ Foundation Benchmarkers: tools for peer-to-peer comparisons ✓ Foundation Data: data about philanthropy <p>Foundation Transparency: promoting best practices in foundation transparency</p>	Up to date	<p>Most of the tools given are rather general but comprehensive, user-friendly and up to date data on various aspects of founding and grants in the U.S.</p> <p>Not specifically related to forestry but a good example for a comprehensive and user-friendly CH.</p> <p>The whole structure and especially tool "foundation maps" (described beneath) can be a good example for the GFFFN.</p> <p>An advantage to the Foundation Center is the fact that all U.S. based charities have to openly disclose on several of their activities to get eligible for tax-exemption through the "Form 900" process.</p>
X	Global Clearinghouse for Development Finance – GlobalDF	Global Clearinghouse for Development Finance – GlobalDF	<p>Non-profit organization committed to mobilizing the private sector for development, advancing economic growth, job creation, poverty reduction, and the achievement of the Millennium Development Goals.</p> <p>The GlobalDF aims to improve the social and economic stability and growth of developing countries by:</p> <ol style="list-style-type: none"> 1. promoting the sharing of information between public and private stakeholders 2. providing training and advisory services and developing and deploying communication technologies. <p>Funded by the Ford Foundation, the UN Financing for Development Office, the Norwegian Government, the Swiss Government, the UN Capital Development Fund, and Samuels Associates.</p> <p>Information is provided by governments, business organizations, partners and staff scanning the web.</p>	<p>Quality, quantity and actuality of data is not clear and could not be verified as the structure of the website is rather confusing. There is e.g. no central menu item for accessing the data.</p> <p>Seems to be outdated as a short inquiry only revealed data from 2011 and earlier. Design is not adopted to today's needs.</p>	

X	Joint CHM of Basel, Rotterdam and Stockholm conventions BRS JCM	BRS Secretariat	<p>Multi-stakeholder global system facilitating the exchange of information and expertise relevant for the Basel, Rotterdam and Stockholm conventions.</p> <p>Information is gathered through National Focal Points, regional centres and other actors. Structured as a network, organizations from different levels join the network, and install an interface on top of their original database. Then the relative information could be automatically distinguished and accessed based on keywords and document types. Each organization would have access to the newest relative information from all other organizations.</p>	<p>Up to date.</p> <p>Content wise not relevant for GFFFN but the way information is gathered can be an interesting option for the GFFFN. Additionally, BRS intended to revise its HCM in 2017 and maybe a good contact for an exchange e.g. on shortcomings, lessons learned etc. - might be an interesting option. Its strategy is available as a good reference.</p>
X	Access and Benefit-Sharing Clearing-House ABSCH	Nagoya Protocol, Convention on Biological Diversity CBD	<p>Tool for facilitating the implementation of the Nagoya Protocol by enhancing legal certainty, clarity, and transparency on procedures for access and for monitoring the utilization of genetic resources along the value chain, including through the internationally recognized certificate of compliance (IRCC). Parties to the Protocol are required to make available certain key types of information through the ABSCH. The Protocol also identifies other useful types of information that are to be made available through the ABSCH. Non-Parties are not obligated but encouraged to make information available under the same conditions as Parties.</p>	<p>Up to date.</p> <p>Content wise not relevant for GFFFN and thus, quality and relevance of the data have not been examined. ABSCH has the advantage that Parties to the Nagoya Protocol must submit certain data automatically. Thus, in terms of data mining ABSCH is not a reference for GFFFN CHM. However, the design, the user-friendliness and the way information are shared and illustrated can be an interesting reference for GFFFN.</p>
X	Biosafety Clearing-House BCH	Cartagena Protocol, Convention on Biological Diversity CBD	<p>Set up by the Cartagena Protocol on Biosafety to facilitate the exchange of information on Living Modified Organisms (LMOs) and assist the Parties to better comply with their obligations under the Protocol. Global access to a variety of scientific, technical, environmental, legal and capacity building information.</p> <p>Partner institutions hosting information required by the Protocol to be made available to the BCH have to submit certain minimum standard information all other information is not mandatory.</p>	<p>Up to date.</p> <p>Content wise not relevant for GFFFN and thus, quality and relevance of the data have not been examined. ABSCH has the advantage that Parties to the Cartagena Protocol must submit certain data automatically. Thus, in terms of data mining BCH is not a reference for GFFFN CHM. Design is rather outdated, navigation on the site is rather complicated and thus, BCH seems not to be completely user-friendly.</p>

Sources: FAO, 2013; ACB, 2018; BRS, 2018; CBD, 2018a, 2018b, 2018c; CPF, 2018; FAO, 2018b, 2018c; Foundation Center, 2018a, 2018b; GFFFN, 2018a, 2018b; GlobalDF, 2018; IRS, 2018; IUFRO, 2018

Annex 2: Financing FLR – a short overview¹⁰

Major work has been undertaken over the past 2-3 years by several CPF members and other organizations to develop financing tools for forest landscape restoration. Also, quite a few analyses have been made to estimate the costs of FLR. Based on TEEB (2009) the average investment costs for restoring tropical forest are in the order of magnitude of 3'450 US\$ per ha. To achieve the 150 million ha target of the Bonn challenge FAO/Global Mechanism of the UNCCD estimate the costs to USD 36 billion per year for all biomes based on estimated cost of USD 2380 per ha (FAO and UNCCD, 2015c).

A new report of WRI by Ding et al. (2017) provides a comprehensive analysis of the benefits and costs of restoring land in countries around the world. Almost one-quarter of the world's arable land area has been degraded over the past 50 years because of soil erosion, salinization, peatland and wetland drainage, and forest degradation. The resulting damage, in terms of lost ecosystem goods and services, costs the world an estimated US\$ 6.3 trillion a year. WRI estimated the funding needed for effective global forest and landscape restoration and forest conservation to around USD 300 to 350 billion annually but only USD 50 billion could be sourced over the past years of which more than 80% of the contribution came from public funding (Faruqi, 2016).

IUCN (2018b) makes a rough assessment of the benefits delivered when achieving the Bonn Challenge. Based on their assumptions, the restoration of 150 million hectares of degraded and deforested lands in all concerned biomes will create approximately US\$ 84 billion per year in net benefits that could bring direct additional income opportunities for rural communities. About 90% of this value is potentially tradable, meaning that it encompasses market-related benefits. Achieving the 350-million-hectare goal of the Bonn Challenge would generate about US\$ 170 billion per year in net benefits from watershed protection, improved crop yields and forest products, and could sequester up to 1.7 GT CO₂e annually.

Forest restoration occurs prominently in the financing instruments linked to the UNFCCC and CBD. A recent analysis by the GEF Secretariat in its introduction to the new impact program on landscape restoration (August 2018) found restoration and reforestation to be the most frequently occurring themes among developing countries' Nationally Determined Contributions (NDCs), particularly under REDD+ and joint mitigation/adaptation programs, the National Biodiversity Strategies and Action Plans (NBSAPs), and National Action Plans (NAPs) – present in 98% of GEF-eligible countries' policy frameworks. Integrating forest landscape restoration into ongoing environment and development programmes, can be a promising option to maximize the impact of their investment (GEF, 2017a).

The newly agreed GEF7 program cycle includes besides the regular STAR allocation¹¹ to the countries the so-called *Landscape Restoration Impact Program* with the objective to maintain a global network of resilient landscapes which are either transboundary or subnational in scope. As a realistic target the Program aims at the restoration of 15 – 25 selected landscapes, with a total area coverage of 60 – 100 million hectares, including three main categories of land:

1. Degraded land (formerly productive land), through investments in sustainable land management, including agro-silvo-pastoral models and agro-ecological intensification;

¹⁰ Based on ITTO (2018).

¹¹ System for Transparent Allocation of Resources to the countries in the GEF mechanism

2. A wide range of ecosystem types, including savannah, shrub and grasslands, wetlands, watersheds, estuaries, and mangroves using best practices for ecological restoration, which may include targeted eradication, management or control of Invasive Alien Species; and
3. Forest landscapes, applying a range of best practices and focusing on, but not limited to, cost-effective interventions such as natural regeneration, assisted natural regeneration, and forest protection to restore ecosystem functions.

The entry points for countries to apply to this GEF7 Impact programme are mainly the Bonn Challenge and other platforms with similar goals. Also, the new program builds upon the GEF Sustainable Forest Management investment program of GEF6. To this specific GEF7 impact program a basket funding is allocated (GEF, 2017b), however in the moment of writing this report the amount of the specific funding is not known.

A considerable cost is estimated by FAO/FM (2018) to achieve the Sustainable Development Goal (SDG) 15.3 to achieve land degradation neutrality of 2 billion ha by the year 2030. The amount estimated for this target is US\$ 318 billion per year (GPFLR 2018). Different types of investors are targeted to support the costs of FLR, including private sector funding that are primarily targeting financial returns, national budgets, international financial cooperation and development cooperation provided by OEDC donor countries international NGOs and foundations that are primarily targeting environmental and social returns, carbon financing and others.

In this respect it is important to underline that tendency is observed that classical development and economic cooperation funding is declining, and donor governments are turning more to multilateral types of funding. Thus, there is a need to turn to long-term financing solutions and increased reliance on the private sector and on instruments enabling new forms of funding with potential to be self-sustained, such as results-based payments and payments for ecosystem services integrated into value chains. Sources do exist for raising the necessary funds for forest and landscape restoration (FLR). They include besides the development cooperation resources, climate finance (particularly the Green Climate Fund), non-governmental organizations (NGOs), state budgets, environmental funds, crowdfunding and private sector investments.

FAO jointly with the Global Mechanism of the United Nations Convention to Combat Desertification (GM) launched in December 2015 a discussion paper on “Sustainable financing for forest and landscape restoration: opportunities, challenges, and the way forward”. The report highlights the need to create an enabling environment for private sector investments in FLR, in particular about supporting ongoing investment innovations through so-called impact funds and to bridging the gaps between project developers and investors in the design of bankable projects.

In fact, enabling FLR financing requires several key issues to be addressed. These are outlined in GPFLR documentation concept note and in the *afr 100 Initiative*, and include:

- The development of marketplaces for FLR is critical to promote interactions and discussions on mutual opportunities for FLR implementation and all stakeholders involved are called to support their creation and management.
- Successful experiences of partnerships and alliances for FLR at different levels (global, regional, national and local) should be taken as a reference for further implementation of FLR; to this aim, information on good examples and lessons learned should be made available and widely disseminated.
- Developing a common language between project promoters and investors is key in bridging the existing gaps; to this aim, efforts should be made to harmonize guidelines, including concepts, definitions and terminology used by different groups of stakeholders and to develop a common vocabulary.

Public policy makers from developed and developing countries, including through using the ITTO as a platform, can play an important role in enabling the environment for FLR. As developed by the

GPFLR initiative and further specified in the afr-100 initiative, resource mobilization for FLR can be supported by, *inter alia*:

- Integrating FLR in major country strategies and policies, including SDGs, and consequently in state budgets and public investment funds, and proofing these financing instruments against negative impacts on landscapes;
- Mobilizing Official Development Assistance (ODA) funds for FLR (whether as donor or beneficiary) and adapting the wide range of ODA instruments to FLR;
- Promoting FLR as a solution for joint climate change mitigation and adaptation (NDCs, NAMAs, NAPAs), targeting climate finance, and advocating for an FLR window in climate change instruments such as the Global Environmental Facility; the Green Climate Fund and the Adaptation Fund besides others
- Developing monitoring systems for FLR expenditures and mechanisms for collecting data on the costs and benefits of FLR investments;
- Designing, adapting and implementing national and local financing mechanisms for FLR such as national and local forest funds;
- Using these financing instruments to implement public incentive schemes (e.g. payment for ecosystem services mechanisms) and coupling these schemes to investments in sustainable value chains to ensure a long-term self-sustaining financing strategy;
- Increasing engagement with the private sector, especially with pioneer private impact funds and other innovative initiatives such as layered funds that can benefit from the support of governments and public institutions;
- Building a legal and regulatory framework that makes landscapes “ready for investment” and attracts investors to FLR;
- Establishing risk mitigation mechanisms to engage FLR investors at scale;
- Promoting partnerships and alliances at local, national, (sub)regional and international levels, and contributing towards international FLR initiatives.

An international initiative of the Global Landscape Forum (GLF, 2018), supported by the IFC, has launched a process of building the Investment Case for Sustainable Landscapes and Restoration in May 2018. The outcomes of this process however are yet not at disposal for this report.

Related links:

[Sustainable financing for forest and landscape restoration – Opportunities, challenges and the way forward](#) (FAO and UNCCD, 2015b)

[Sustainable financing for forest and landscape restoration – The role of public policy makers](#) (FAO/UNCCD, 2016)

[Sustainable financing for forest and landscape restoration – Key messages](#) (FAO and UNCCD, 2015a)