

Solving the Forest Finance Puzzle in the Paris Agreement Era

2:00 – 5:00 pm Baku time, Thursday, 14 November 2024

Venue: Main Stage, Forest Pavilion within the SDGs Pavilion, Blue Zone



2024 UN Climate Change Conference (UNFCCC COP 29)

Forest Pavilion Side Event

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Forests are vital for climate change mitigation and adaptation, biodiversity conservation, supporting local livelihoods, and ecosystem services. Forests directly generate USD 250 billion in economic activity annually, a figure that reaches USD 150 trillion per year when accounting for its carbon sequestration potential. Despite their clear value, current financial flows fall far short of the global target to halt and reverse deforestation and forest degradation by 2030. Estimates suggest that achieving this goal will require up to USD 460 billion annually to reduce deforestation, restore degraded lands, and implement sustainable forest management globally. Currently, domestic and international finance for forests averages only USD 2.2 billion per year, resulting in a significant forest finance gap exceeding USD 450 billion annually. Bridging this gap requires urgent mobilization of public and private finance to achieve the Global Forest Goals.

For example, while there is a growing recognition of nature-based solutions, investments in forests, as well as biodiversity protection are still a niche segment of the sustainable finance market. The 2023 Global Impact Investor Survey reported that “conservation and forestry” investments were less than 4% of the respondents’ investment portfolios. Similarly, only 16% of the green and sustainability-linked bonds issued globally in 2023 included natural ecosystems in their use of proceeds. While more financial institutions are adopting sustainable investment principles, voluntary reporting requirements and a lack of enforcement limit their actual impact on global finance flows. Many have also identified the lack of coherent, consistent nature and biodiversity measures that are investment-ready at scale and deliver assured returns for financial institutions and pension funds as the biggest brake on progress.

How can we solve the forest finance puzzle to ensure that forests continue to play an essential role in climate mitigation and adaptation and support biodiversity, livelihoods, and ecosystem services? What are the necessary pieces of the forest finance puzzle in the context of the Paris Agreement era to tackle the triple planetary crisis?

Please join us for a dynamic session where speakers and participants work together to identify the essential pieces to attracting forest finance, culminating in a roundtable discussion to increase understanding of the interconnected factors that drive effective forest financing. The aim is for participants to be equipped with a comprehensive picture of the forest finance ecosystem and actionable steps to mobilize and scale up finance and investment in forests. After the session, a short documentary video and report will be produced and disseminated to continue the discussions at COP 30.

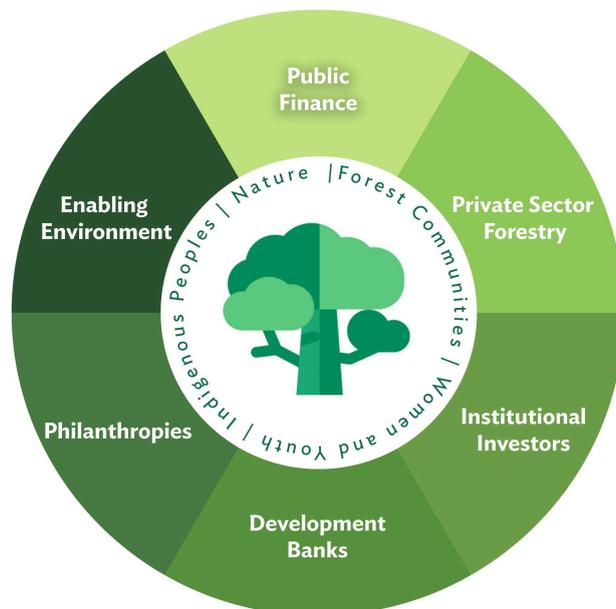
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Join us to help solve the forest finance puzzle and mobilize finance necessary to realize the Global Forest Goals!



ORGANIZERS

National Forestry and Grassland Administration (NFGA) of the People's Republic of China, Asian Development Bank (ADB), and International Sustainable Forestry Coalition (ISFC), with support from the United Nations Forum on Forests Secretariat, will organize the events on the Forest Finance, Investment and Trade theme day at the Forest Pavilion within the SDGs Pavilion at COP29.

OBJECTIVES

The primary objectives of the Forest Finance, Investment, and Trade theme day at the Forest Pavilion are:

- **Share experience and best practices:** Share best practices for national forest financing and other forest-based climate mitigation and adaptation solutions.
- **Promote innovative financial instruments:** Explore financing solutions such as green bonds, carbon markets, and blended finance to scale up investments in forest protection and sustainable forest management.
- **Encourage public-private partnerships:** Foster collaboration among governments, private sector investors, philanthropies, international financial institutions, and multi-stakeholders to mobilize resources for forest conservation, restoration and sustainable use.
- **Support sustainable investment flows:** Identify ways to direct investment towards forest conservation, restoration, sustainable use, and climate mitigation and adaptation projects, particularly in developing countries.

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SCHEDULE

On **14 November 2024**, the **Forest Pavilion within the SDGs Pavilion** will host events organized at the: (i) Social Media Stage (morning) and (ii) Main Stage (afternoon).

I. Social Media Stage (9:00 am – 12:00 pm, 14 November 2024)

Format: 30-minute sessions, delivered in a variety of modalities on forest finance

Time	Topic	Speaker(s)
9:00 - 9:30 am	Carbon market in China	Dr. Wang Chunfeng, Executive Director General International Cooperation Center, NFGA, China
9:30 - 10:00 am	China's practices in green finance	Chen Jie, Associate Professor, Chinese Academy of Forestry, NFGA, China
10:00 - 10:30 am	Lessons learned from the Adaptation Fund For Agricultural Development Programme (ASAP)	Walid Nasr, Regional Climate Lead for The Near East, North Africa, Europe and Central Asia (NEN), International Fund for Agricultural Development
10:30 - 11:00 am	Reflections on the topics leading to the Brazil COP30	Ambassador Jose Carlos, Da Fonseca, CEO, Brazilian Tree Industry (Ibá)
11:00 - 11:30 am	(tbd)	(tbd)
11:30 am - 12:00 pm	Global and Brazil perspectives on Forest sector and COP30	Helena Pavese Suzano, International Forestry Students' Association

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II. Main Stage (2:00 pm – 5:00 pm, 14 November 2024)

Format: Speakers and audience will discuss the forest finance puzzle essential to mobilizing and scaling up public and private forest finance and investments. Each puzzle piece will be discussed in a quick-fire session until a more complete picture comes together on forest finance. Reflecting on the puzzle the speakers and audience put together, a roundtable discussion will take place. Did we solve the forest finance puzzle? What is missing? Who is missing? Who needs to work together? What are the potential conflicts and impacts we need to consider? What are the opportunities? What new instruments/mechanisms can be developed?

Time	Topic	Speakers
2:00 - 2:15 pm	Opening Remarks	<p>Dr. Juliette Biao, Director, UN Forum on Forests Secretariat</p> <p>Dr. Wang Chunfeng, Executive Director General, International Cooperation Center, NFGA, China</p> <p>Thomas M. Clark, General Counsel, Asian Development Bank (ADB)</p> <p>Ross Hampton, Executive Director, International Sustainable Forestry Coalition (ISFC)</p>
2:15 – 2:45 pm	Setting the Scene: Forest Finance in the Paris Agreement Era	<p>Noelle O'Brien, Director, Climate Change, ADB</p> <p>Dina Saleh, Regional Director, Near East, North Africa and Europe Division, International Fund for Agriculture Development (IFAD)</p> <p>Christopher Martius, Head of Climate Change, Center for International Forestry Research and World Agroforestry (CIFOR-ICRAF)</p> <p>Christina Voigt, Chair, IUCN World Commission on Environmental Law and First Co-Chair, Paris Agreement Implementation and Compliance Committee</p>

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Time	Topic	Speakers
	<p>Putting the Puzzle Together: Working as an Integrated Forest Finance Ecosystem <i>(expert speakers will help facilitate dialogue by discussing the following puzzle pieces)</i></p>	
2:45 – 3:00 pm	Public Finance	<p>Chen Jie, Associate Professor, Chinese Academy of Forestry, NFGA, China</p> <p>[Dr. Sindhu Dhungana, Joint Secretary and Head of Climate Change Management Division, Ministry of Environment, Nepal - tbc]</p>
3:00 - 3:15 pm	Enabling Environment	<p>Wang Guosheng, Professor, Academy of Forestry and Grassland Inventory and Planning, NFGA, China</p> <p>Professor Marie-Claire Cordonier Segger, Executive Secretary, UNFCCC COP29 Climate Law & Governance Initiative</p>
3:15 - 3:30 pm	Private Sector Forestry	<p>Kazuhiko Kamada, Senior Managing Executive Officer, Oji Holdings</p> <p>Todd Stevens, Executive Director of Markets, Wildlife Conservation Society</p>
3:30 - 3:40 pm	Institutional Investors	<p>Geoffrey Seeto, Managing Director, New Forests</p>
3:40 - 4:05 pm	Development Banks	<p>Graham Watkins, Division Chief for Climate Change, Inter-American Development Bank</p> <p>Michael Jongeneel, CEO, FMO (Dutch Entrepreneurial Development Bank)</p> <p>Martin Lemoine, Unit Head of Agribusiness, Private Sector Operations Department, ADB</p>

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Time	Topic	Speakers
4:05 - 4:20 pm	Philanthropies & Coalitions	Chris Vincent, President, World Cocoa Foundation Sean Frisby, Chief Partnerships Officer, Emergent (LEAF Coalition)
	Roundtable Discussion	
4:20 - 4:55 pm	<p>Looking at the entire forest finance puzzle - speakers and audience engage in interactive discussions:</p> <ul style="list-style-type: none"> - Capital stacking/blending - Incentives for forest communities - What other pieces should make up the entire puzzle? - What are the synergies and conflicts among the different puzzle pieces? - What lessons can be learned from climate finance? - Next steps toward COP30 Brazil 	<p>Speakers & Audience</p> <p><i>Discussants:</i></p> <p><i>Christina Pak, Principal Counsel, ADB</i></p> <p><i>Ross Hampton, Executive Director, ISFC</i></p> <p><i>Alessandra Lehmen, President, Brazilian Bar Environmental Law Commission</i></p> <p><i>Tejas Rao, Senior Manager, Center for International Sustainable Development Law</i></p> <p><i>Shirmila T.S. Ramasamy, Senior Counsel, World Bank</i></p>
4:55 - 5:00 pm	Closing Remarks	Katherine Meighan, Legal Counsel, IFAD

EXPECTED OUTCOMES

- **Enhanced collaboration** among governments, financial institutions, the private sector, and philanthropy to address the forest finance gap.
- **Increased awareness** of sustainable investment opportunities and financing tools for forest protection and sustainable management.
- **Concrete recommendations** for increasing forest finance flows especially for developing countries to meet their climate goals and other Sustainable Development Goals through enhanced forestry actions.
- **New commitments** to scale up forest finance and investments, aligning with the goals of the United Nations Strategic Plan for Forests (2017-2030)

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CONTACT INFORMATION

National Forestry and Grassland Administration (NFGA), People's Republic of China

NFGA of China formulates and implements policies and plans on forestry and grassland, for protection and restoration of forests, grassland and wetlands; supervision of desertification control; management of forests, grassland, wetlands, and terrestrial wildlife resources; formulation of policies and regulations for optimizing forestry and grassland resource allocation and timber use; implementation of forestry and grassland reforms and comprehensive disaster prevention and reduction plans in China. **Contact:** Xu Yingxue, Program Officer, International Cooperation Center, NFGA, xuyingxue927@foxmail.com

Asian Development Bank (ADB)

ADB is committed to fostering a prosperous, inclusive, resilient, and sustainable Asia and the Pacific while sustaining its efforts to eradicate extreme poverty in the region. As the region's climate bank, ADB prioritizes combating climate change and its consequences, allocating \$100 billion in climate financing from 2019-2030 to support developing member countries in addressing climate challenges, disaster risks, and environmental degradation. ADB achieves its goals by providing loans, technical assistance, grants, and equity investments to promote social and economic development. **Contact:** Christina Pak, Principal Counsel, ADB, cpak@adb.org

International Sustainable Forestry Coalition (ISFC)

ISFC was established in 2023 to bring the united voice of private-sector forestry companies to the forefront of the climate and nature transition conversation. ISFC now represents 14 global companies with operations in a combined 16 million hectares in 33 countries on all forest-growing continents and continues to grow. **Contact:** Ross Hampton, Executive Director, ISFC, rhampton@is-fc.com