Unlocking National Opportunities in Forest Financing
Some experiences from Latin America

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CPF Organization-Led Initiative on Forest Financing
Panel on gaps, needs and opportunities in forest financing at the national level
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Tropenbos International in a nutshell

Context FF-activities in Latin America

3 key messages

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Tropenbos in a Nutshell
“Making knowledge work for people and forest”

- A non-profit development-oriented foundation, since 1986
- 6 country programmes: **Suriname, Colombia, DR Congo, Ghana, Indonesia, Vietnam**
- Themes: sustainable value chains, productive landscapes, forest finance, governance
- Knowledge sharing is our business
- Collaborative approach; operating in national and international networks
Financing strategies and mechanisms for SFM in LA: Working in partnership

A joint effort of knowledge sharing, analytic work, innovative thinking and capacity building FOR ACTIONS

Between countries and their national forest programmes, sub-regional organizations, international organizations and donors

➔ Engaging other actors: the sum is more than its parts
Unlocking national opportunities
Some lessons/reflections
Key 1. A strategic multi-actor process

- **NFFS:** The process is more important than the document
- Engages beyond the usual
- Reveals: much is possible at country level
- Not one-size-fits-all: Process is tailored to local and national diversity, realities and needs
- High levels of engagement and ownership can produce relatively quick results (new insights, instruments, new policies, institutions, partnerships)
Key 2. Connect forestry, business and finance

- Private business and financing institutions already largest source of FF
- Need for carrots and sticks to incentivize them towards SFM
- Capital markets: a largely unrealized potential that needs attention to:
  - Build familiarity (incl. role of intermediaries)
  - Share information (markets, values, practices, etc.)
  - Mitigate risks (legal, natural, market, political, etc.)
  - Develop bankable business cases
Key 3. Understand better local financing

- Bulk of forest producers are small-scale
- How they finance themselves (formal and informal) largely is a black-box
- Lack of understanding and recognition is a risk and missed opportunity
  - In policy design
  - Corporate strategies
- How to connect small-scale producers to large-scale money?
Roles of International cooperation: facilitate, support and scale-up

Functions of Facilitative Process are a good agenda and need for a more structural approach for implementation

Enabling investment: national strategies, knowledge sharing, capacity building, expertise, brokerage, streamlined procedures

Hard investment:
- Risk mitigation, insurance and guarantee systems
- Incubator and seed money facilities
A practical suggestion

- The key features and elements for designing, initiating and operating such national “facilitative” processes are known.

- A guidance/reference document for initiating and implementing strategic processes at the country level.

- Finding a collaborative operational modality to facilitate such processes, where needed.
Gracias, Thank You!!

More information?

Look at:
www.tropenbos.org