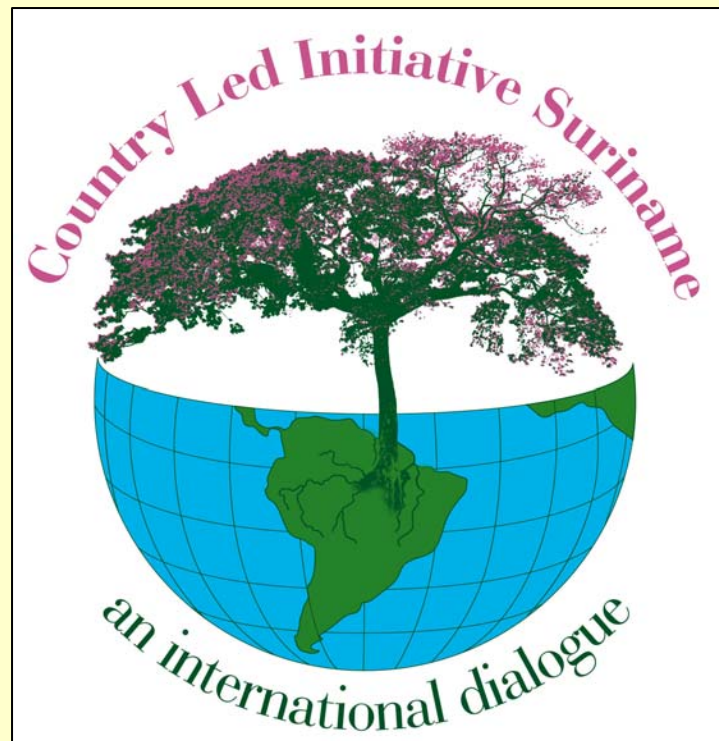


Paramaribo Dialogue

Financing for Sustainable Forest Management

September 8-12, 2008



The Paramaribo Dialogue

Country Led Initiative in Support of the UN Forum on Forests (UNFF)

- Held 8-12 September in Paramaribo, Suriname
- Co-organized by Suriname, the Netherlands, and the United States, with support from the United Kingdom, ITTO, the World Bank, the Inter-American Development Bank, Conservation International, and WWF-Guianas
- 227 forest and finance experts: governments, regional and international organizations, non-governmental organizations, private sector, philanthropic organizations, and Major Groups



Objective

- Identify opportunities to significantly enhance financing for sustainable forest management (SFM)
 - Share experiences on mobilizing forest funding and generating revenues
 - Identify existing and emerging public and private financing sources
 - Examine relationship between forest financing, governance and enabling environments for investment
 - Explore models, strategies and institutional arrangements for increased financing



Objective

- Provide input and ideas to discussions on forest finance in UNFF in 2008 and 2009:
 - UNFF 7 decided to “*develop and consider, with a view to adopting at the eighth session of the Forum, a voluntary global financing mechanism/portfolio approach/forest financing framework for all types of forests, aiming at mobilizing significantly increased, new and additional resources from all sources, **based on existing and emerging innovative approaches...**to support the implementation of sustainable forest management, the achievement of the global objectives on forests and the implementation of the non-legally binding instrument on all types of forests”*”



Format

- Plenary sessions + 3 concurrent, interactive breakout groups
- Presentations by experts
- Breakout groups all discussed common set of questions put to them by meeting co-chairs



Main Topics

of Plenary and Breakout Groups

1. Financing sustainable forest management: producer, consumer and community perspectives
2. Financing from forest ecosystem services
3. Institutional and governance strategies at the national level
4. Institutional and governance strategies at the international level



Financing SFM: Current and Emerging Initiatives

- Many new opportunities and initiatives since UNFF 7, many related to climate change
- Areas for financing and investment include sustainable timber, non-timber forest products, payments for ecosystem services and forest carbon
- Proliferation of initiatives and funds has created confusion, risk of incoherence and duplication
- However, many countries do not see these initiatives translating into concrete financing yet



Financing SFM: Producer, Consumer and Community Perspectives

- Need for incentives for producers to shift to sustainable practices
- Need innovative mechanisms that operate with multiple stakeholders (including local and indigenous communities), capitalize on their strengths and promote partnerships
- ODA should play a catalytic role to mobilize broader spectrum of SFM financing
- Enabling conditions (e.g., clear land tenure, stable investment climate) are critical for attracting financing



Financing from Forest Ecosystem Services

- Payments for Ecosystem Services (PES) give standing forests tangible value
- Forest inventory, forest land-use planning, mapping, and carbon accounting are key building blocks for PES and SFM financing in general
- PES initiatives need to be flexible, taking into account scale and context (local, national, international), approaches (market-driven and regulatory), and participants (including communities)



Financing from Forest Ecosystem Services (continued)

- Enabling policy environment at national level is crucial to take advantage of PES
 - Strengthen forest law enforcement
 - Improve clarity and security of land tenure
 - Create conditions for community forest management
 - Reduce perverse incentives that hinder SFM
 - Improve policy coherence across sectors, including positions in different international fora
- Attention to carbon/REDD (Reducing Emissions from Deforestation and Degradation) may provide boost for SFM financing but there are also concerns



Institutional and Governance Strategies at National Level

- Country examples exploring “portfolio approach”
 - Strategies can include national trusts, credit for local communities and forest-based enterprises, and risk management for investors
- Enabling policy, legal and institutional environment for financing SFM is critical
- National Forest Programs and other national frameworks useful to catalyze national financing strategies and mobilize increased financing



Institutional and Governance Strategies at National Level (continued)

- Participatory and inter-sectoral processes contribute to coordination and long-term vision
- Stakeholder participation (including indigenous and other communities) and partnerships are key
- Information on SFM financial instruments and opportunities needs to be provided to current and potential producers and investors
- Collaborative Partnership on Forests (CPF) can have a key role supporting actions



Institutional and Governance Strategies at the International Level

- Significant existing and emerging international mechanisms
 - Comprehensive vision among these is critical to avoid fragmented and duplicative arrangements
 - Need to streamline institutional processes
 - World Bank Forest Investment Program has potential
- Opportunities and concerns with REDD
 - Exclusion of other forest benefits
 - High forest cover low deforestation countries
 - Participation of local and indigenous communities



Institutional and Governance Strategies at the International Level (continued)

- Coherent approach at country-level necessary foundation for mobilizing international SFM financing
- Need for financing criteria that support multiple benefits
- ODA has a critical role to catalyze other types of funding



Institutional and Governance Strategies at the International Level (continued)

- Financing and policy discussions need to reach forest-dependent and indigenous communities
- Need to improve interface between users and providers of financing
- CPF *Sourcebook on Funding for SFM* and other efforts are useful



(Some) Conclusions and Recommendations

- Urgent need for financing from all sources
- ODA needs to play a catalytic role to mobilize broader spectrum of financing
- SFM financing should focus on building an enabling policy, legal and institutional environment at the national and sub-national levels so as to more effectively attract sustainable financing for SFM



(Some) Conclusions and Recommendations (continued)

- Significant existing and emerging financing mechanisms
 - World Bank initiatives important
 - Need for coherence and streamlining
- Economic values of forests increasingly recognized, but PES initiatives and markets are still evolving
- Climate-forest nexus could provide financing boost for forests, but there are concerns too



(Some) Conclusions and Recommendations (continued)

- Meaningful stakeholder participation, including by indigenous and local communities, an important basis for financing and implementing SFM
- Communication at all levels an important need
 - UNFF and CPF can play an important role internationally, with focus on implementation of the Non-Legally Binding Instrument on All Types of Forests (NLBI, adopted by UNFF and GA in 2007)



Input to UNFF Deliberations

- Co-Chairs Summary Report available as of 31 October at:

www.clisuriname.com

- Input to:
 - Ad Hoc Expert Group: 10-14 November 2008, Vienna
 - UNFF-8: 20 April – 01 May 2009, New York



Thank you!

