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!