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Template for inputs on proposals for financing sustainable forest management

Deadline for submission: 31 December 2008
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CUBA

The UNFF Ad Hoc Expert Group meeting to “Develop Proposals for the Development of a Voluntary Global Financial Mechanism/Portfolio Approach/Forest Financing Framework” held from 10 -14 November 2008, in Vienna, Austria, was convened per ECOSOC resolution 2007/40, to develop proposals for consideration at Eighth session of the United Nations Forum on Forests (20 April - 1 May 2009, UNHQ, New York).

Experts at the Ad Hoc Expert Group voiced their support for two key proposals: a) creation of a distinct fund dedicated or earmarked for implementation of sustainable forest management; and b) development of a facilitative mechanism to help mobilize existing and emerging funds for sustainable forest management¹. To help elaborate these two concepts, experts recommended that Members States and major groups be requested to provide written contributions on their views regarding these two proposals.

Please use the following questions to provide the views of your Member State or Major Group (please only submit one response per Member State or Major Group organization.) A detailed response to these questions would be appreciated. We request you to limit your submission to a **maximum of 5 pages**.

1. Drawing from the AHEG’s formulation², does your Member State or major group have a preference for either a dedicated global forest fund or a facilitative mechanism for sustainable forest management funding? Is the preferred option (select one):

- a. Dedicated global forest fund ----- X
- b. Facilitative mechanism ----- X (It currently exists but is actually not working for most of developing countries, that are partially or totally limited to access the existent financial mechanisms, mainly to address their own needs identified by their respective priorities in each one of those countries. It will be necessary to make a complete review of the current mechanisms and find a way to address needs and priorities of developing countries).
- c. Both
- d. Other mechanism (please specify) _____

2. What do you consider to be the essential elements for the preferred option? (select as many as relevant):

¹ Para 64-73 of Chair’s summary report of ad hoc expert group to Develop Proposals for the Development of a Voluntary Global Financial Mechanism/Portfolio Approach/Forest Financing Framework

² It was generally accepted at the AHEG that the portfolio approach (described as the large variety of financing needs for sustainable forest management being met from a variety of sources) already existed, provided many benefits, and should continue in the future. (Para 60 of the Chair’s summary report)

- a. Scope and structure ----- X
- b. Governance and management
- c. Sources of financial resources ----- X
- d. Types of activities covered
- e. Accountability, monitoring and evaluation mechanisms -----X (Only if those mechanisms are valid and efficient to assess non-compliance of commitments and obligations of providers of financial resources for SFM, together with addressing non-compliance of receptors of those same financial resources. It means that what is needed is a comprehensive mechanism to allow developing countries to decide to adopt it).

f. Any other elements?

3. How would your preferred option be linked to with other forest funding sources and mechanisms e.g. the Collaborative Partnership on Forests (CPF)?

- The current different financing mechanisms of various Organizations or Agencies members of CPF may serve as a guide for the design and establishment of a Global Forest Fund. In the same way, mainly with the participation of FAO, there could be established some options or alternatives to find financing sources that are a must for the existence of this Global Forest Fund, based on mechanisms for the promotion of the Sustainable Forest Management in developing countries.
- It is necessary to take into account that those funds for SFM for developing countries shall comply with the requisite of being “new and additional”. This is valid not only for ODA, but for any other already existent financing source comprised in the CPF.
- There must be not any distinction among countries to access those financial resources. It is also necessary to eliminate current difficulties faced by developing countries trying to access financial resources and are obliged to find first the money for executing all the activities directed for SFM and only then receive the funds. It is of the utmost importance to consider that developing countries seldom have the ways to find the money in advance to receive later payments for concluded tasks, but instead need from the same beginning the money intended for this purpose. Weak, depressed or very small economies can not then access those mechanisms. There is a clear example of this constraint, for many developing countries, in a funding mechanism of FAO, the National Forest Programmes Facility.

4. What challenges would be resolved with the creation of either of the preferred option?

- Establishment of SFM in developing countries requires indefinitely of financial resources. Most developing countries do not have those resources or have them only in very limited quantities, to address first the most pressing national priorities directed to combat social problems, including hunger. Availability of financial resources for SFM, don't linked in any way to current resources reaching those same developing countries through ODA or other established mechanisms, would allow them not only to comply with their own environmental commitments, but also could contribute effectively to the development of strategies for poverty reduction, contributing in a effective way to the fulfilment of their commitments with the millennium development goals.

5. What other existing and emerging sources of financing and mechanisms could be utilized to implement sustainable forest management, the four Global Objectives on Forests and the Non-Legally Binding Instrument on All Types of Forests (NLBI)?

- The establishment of a Global Forest Fund must have together the launching of mechanisms for the for the promotion and the collection of all contributions, from pledges of developed countries to comply their previous commitments to reach 0,7% of their own GDP as ODA to developing countries, to voluntary commitments of countries promoting the protection and conservation of forests in different regions of the world, associated or not to current mechanisms, as could be those related to climate change, REDD, or other.

6. Any other views and suggestions?

References:

See following documents for preliminary discussions of these options and descriptions:

- Chair's summary report of ad hoc expert group to Develop Proposals for the Development of a Voluntary Global Financial Mechanism/Portfolio Approach/Forest Financing Framework
http://www.un.org/esa/forests/pdf/aheg/finance/Adv_Unedited_ChairsSum_AHEG_Finance.pdf
- ECOSOC resolution 2007/40 http://www.un.org/esa/forests/pdf/ERes2007_40E.pdf