



**G-77 and China Proposal for**  
**Financing for the Sustainable Management of**  
**all Types of Forests**

**INTRODUCTION**

Developing countries host most of the world's forests. Forests play a critical role in the lives of the rural poor and of forest-dependent communities in developing countries. It is a fact that forests and poverty co-exist and that Sustainable forest management (SFM) plays an important role in achieving the MDGs and, in particular the eradication of poverty, and in enhancing the economic, social and environmental benefit of all types of forests, for present and future generations. The important contribution of forests as water regulators, carbon sinks and reservoir, and in the conservation of biodiversity must be emphasized.

The adoption in 2007 by the General Assembly of the Non-Legally Binding Instrument on All Types of Forests constitutes the highest expression of the importance that the international community places on forests issues, as well as the recognition of the will to raise the profile of forests, based on the importance they represent to sustainable development, States and humankind.

The primary barrier to sustainable forest management in developing countries is insufficient funding. The financial gap can only be addressed by dedicating resources 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.

The global mutually reinforcing financial and economic crises – have exacerbated the challenges and impediments of developing countries to achieving the IADGs including MDGs, especially in eradicating poverty and hunger and achieve sustainable development. Furthermore, these global crises have economic, social and environmental impacts, which are eroding progress already achieved and are pushing millions of people into poverty and hunger in developing countries. The hardest hit by these crises will no doubt be the poor, especially in developing countries.

As a result, mounting poverty will most certainly lead to increasing pressure on forests as a significant number of people will seek to secure their livelihoods by all means. In order to prevent losing what we have achieved and continuing to promote sustainable development, the international community must take strong measures to support sustainable forest management that will allow developing countries to use forests and forests products as a basis for their economic and social development, while at the same time promoting environmental protection, at the national level.

Forests can become one of the catalysts of recovery from the crisis, by providing the means for a greener, more sustainable pattern of growth. Forests should, therefore be encompassed in the global response to the multiple crises affecting the world economy. Financial support to sustainable forest management that is consistent with the economic, social and environmental needs of developing countries is a key aspect of building resilience in those countries, as a part of the broader countercyclical measures to be adopted.

In this regard, G-77 and China proposes the establishment of a Global Forest Fund, which would tap all sources of financial support committed to promoting sustainable forest management, including in funding afforestation and reforestation activities, in order to provide new and additional financial resources to developing countries.

The Group urges for the provision of new and additional funding from all sources, including voluntary, for promoting sustainable forest management. The Fund would aim at supporting 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.

The Group emphasizes the importance of mobilizing significantly new and additional financial resources, and to this end, the G77 urges donors to significantly increase and at least double the funding to all types of forest. Furthermore, the fund would complement and not replace existing financial mechanisms.

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## **MANDATE:**

- The Economic and Social Council, in paragraph 6 of its resolution 2007/40, decided to develop and consider, with a view to its adoption at the eighth session of the United Nations Forum on Forests, a voluntary global financial 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.
- In the same resolution, Member States reaffirmed four shared global objectives on forests and their commitment to work globally, regionally and nationally to make progress towards their achievement by 2015. It is worth mentioning that the fourth objective state the need to reverse the decline in official development assistance for sustainable forest management and mobilize significantly increased new and additional financial resources from all sources for the implementation of sustainable forest management.

## **PRINCIPLES:**

The Group intends to work together with all Parties during UNFF8 to define the term of reference of the Fund.

The following are principles for enhanced global action for the provision of new and additional financial resources and investment to support the implementation of sustainable forest management for all types of forests and the achievement of the global objectives on forests, and the implementation of the non-legally binding instrument on all types of forests.

## **THE FUN SHALL:**

1. Be underpinned by the principles of common but differentiated responsibilities and the sovereignty of States over their natural resources, as contained in the Rio Declaration on Environment and Development, as well as the principle of equity:

2. Operate under the authority and guidance of the UNFF, and be fully accountable to member states;
3. Be governed by a transparent and efficient intergovernmental mechanism, where representation shall be determined on the basis of equitable geographical distribution;
4. Be equally accessible to developing countries without conditionalities;
5. Enable direct access to funding by all developing countries with all types of forests; and
6. Ensure recipient country involvement during the stages of identification, definition and implementation, rendering it truly demand driven;

**Objectives:**

The creation of a Global Forest Fund should:

- Generate and mobilize significantly increased new and additional financial resources from all sources for the implementation of sustainable forest management, for all types of forests, and the achievement of the Four Global Objectives on forests, and the implementation of the non-legally binding instrument on all types of forests.
- Allow for the transfer of environmentally sound technologies to developing countries, and to promote forest research as scientific tool for sustainable forest management.
- Promote capacity building for human resources for SFM, particularly targeting local communities in developing countries, and including through South-South and triangular cooperation.
- Recognize, promote and strengthen the significance of engagement at the country level, in order to give effect to the principles of national ownership and demand driven approach, and direct access to funding.
- The mechanism should ensure greater transparency, should provide enhanced support for development as well as for the formulation/development and implementation of strategies and plans of action.
- Provide funding to reforestation and afforestation projects in countries with low forest cover.