

**FORESTRY AND NATIONAL PARKS DEPARTMENT MINISTRY OF  
AGRICULTURE, FORESTRY AND FISHERIES**

**Topic: UNFF Proposal**

**Monday, December 29, 2008**

**1. INTRODUCTION**

The Forest policy (2001) mandates the Department to facilitate its implementation and promotes the need for consultation and collaboration with stakeholders to manage the forest resources for the benefit of present and future generations. Therefore, the department has a vision of *being Grenada's leading natural resource management institution that ensures the optimum contribution of forests and cultural landmarks to environmentally-sound social and economic development*. Its mission is *to sustainably manage (directly and indirectly) Grenada's forest resources and cultural landmarks in order to optimize their contribution to environmentally sound social and economic development*.

The Department will pursue a strategy of closer collaboration with stakeholders through community meetings; workshops and other fora to achieve the following Strategic Objectives that will enable FNPDP fulfill requirements of the Forest Policy.

- a) Sustain ably managing forest ecosystems cultural landmarks and other key areas for social and economic development.
- b) b) Promote national public awareness and support advocacy programmes that will influence the management and use of forest ecosystems, cultural landmarks and other key areas.
- c) c) Strengthen the capacity of stakeholders to effectively manage forest ecosystems, cultural landmarks and other key areas.
- d) d) Develop an efficient and productive Department to fulfill its mission.

The activities of the Department are designed to achieve these Strategic Objectives and it is divided into eight units to carry out the required activities as efficiently as possible. These units are Forest Conservation, Mangrove and coastal woodland conservation, Upland watershed management, Wildlife conservation, Tree establishment and management, Recreation and Information. The collective activities of these units reflect the variety of goods and services that the Department provides to all stakeholders and individual projects indicated may be implemented by different units.

Hurricane Ivan in September 2004 caused serious damage to Grenada's forest and forest infrastructure. The Equilibrium of the forest have been shifted thus reducing the forests ability to provide sustainable the various services including soil and water conservation, amelioration of climate, production of non-timber forest products, prevention of land slides, habitat for wildlife and aesthetics for ecotourism

**Funding Preference:**

Grenada will prefer to have a dedicated global forest fund as its preferred option.

**Essential Elements for Preference:**

**1) Dedicated Global Forest Fund**

The objective of the global forest fund is to support programmes or activities of countries and other stakeholders which can make measurable progress in achieving the objectives of the NLBI by 2015 and thereafter.

*a) Structure and Scope*

The UNFF / NLBI collaborates with the Global Forest Partnership Trust which consist of an executive board that decides on grants, oversees operations and reports to UNFF via UNFFS. A management team looks after the day-to-day operations and management of grants and funds. In addition, there is an advisory body comprising of experts capable of giving substantive technical and policy advice. Funding portfolio includes government, private, business, philanthropic and NGOs etc.

Pertaining to the scope, the mechanism is responsible for the facilitation of CCD implementation, mobilize resources, catalytic funding to create conditions for more donor funding.. Recipients include government, communities, private actors, NGOs and IGDs.

**b) Governance and Management**

Governance is a key and crucial component of the mechanism and can be categorized under the following five themes:

- Legitimacy and voice
- Direction
- Performance
- Accountability, responsibility and transparency
- Fairness

The achievement of an integrated global response to complexities and interrelationships of; international environment issues therefore requires the achievement of the following specific aspects of environmental governance:

- Establishment of global environmental norms and standards;
- Engagement of public and private spheres in enacting and implementing such norms;
- Appropriate compliance mechanism for consistent enforcement of the norms and standards; and
- Consistent and complementary interactions with other environmental institutions.

Fund is managed by IFAD under a MOU with UNCCD 12 -member facilitation committee, include IFAD, UNDP, World Bank, GEF, FAD and others.

## Sources of Financial Resources

The basis of the proposed partnership trust / fund is voluntary contributions from sources both private and public and domestic and international. Initially, public funding could serve as seed money to start the trust. In order to maintain it as a self-sustaining funding mechanism over the longer-term, it could be managed in two parts:

- 1) Non -depleting endowment (of \$100 million to \$500 million) proceeds from which will be used for specific task similar to trust established by the Global Crop Diversity Trust and
- 2) A replenish able fund to meet core expenses including other programme / projects funding and operational cost.

There is a range of possibilities for seeking such contributors. The following are some of the possible sources:

- Initially, international public funding to use as seed money to start off the trust.
- Contributors from the product and services from forests including international trade is another possible source to explore. The annual global round wood production is over three billion cubic meters. The value of imports of industrial wood and timber alone in 2005 amounted to \$193 billion (FAOSTAT). SFM will deliver major benefits for these industries needing long term forest utilization.
- From private forest -base companies and industries for whom SFM is the basis for their long-term competitiveness.
- Other companies and industries which want to compensate their emission with bio-carbon elsewhere.
- From philanthropic foundation, who contributed around \$4 billion 2005 to a wide range of international purposes, including environment and forest.

## How would the Dedicated Global Fund be linked to with other forest funding sources and mechanisms?

World Bank PROFOR (established in 1997 to World Bank in 2002) is a funding mechanism that can be linked with the Global Fund. Like the Global Fund, It implements forest strategy. Project financed concerns the following areas : Forest livelihoods, forest governance, financing SFM and cross-sartorial cooperation. A Management Board / Team is in place for decision making and funding is through voluntary contributions which fluctuates and consequently makes long term planning difficult. Both mechanisms are disbursement driven and using funding in a catalytic role to address key constraints to SFM and to effectively leverage other public and private resources.

Countries and other actors must determine priorities for funding within the framework of SFM and global objectives. These mechanisms must maintain close coordination with each other and also with similar existing facilities supporting SFM, and not to replicate or complete. Such collaboration is essential not only to avoid duplication of efforts but also to intensify selected operations /initiatives. It is therefore necessary to strengthen

relationship between mechanisms. Systems must be put in place to ensure consistency in approving and funding projects particularly for SFM. Coordination and active involvement of the mechanisms is needed for increased chances of implementation success.

- Minimum new structures and transaction costs, with high standards of performance and accountability.

### **Challenges that would be resolved with the creation of the Global Fund**

At the national level, the challenge of replanting forest reserves that was seriously devastated by both Hurricane Ivan and Emily (2004 and 2005 respectively) would be hopefully resolved. Present economic situation does not allow the Government sufficient funds for exclusively allocation of reforestation projects. Never the less, the Forestry and National Parks Department (FNPD), within the Ministry of Agriculture, Forestry and Fisheries is consistently working (step-by-step) to fulfill its obligations of replanting under the forest policy. The idea is to replant as much as possible, using all possible resources (although very limited), and simultaneously seek overseas development funding to fill the reforestation gap. Reforestation would contribute positively towards global warming by increasing the carbon sink. (After the Hurricanes average diameter and tree density were significantly reduced). Further, environmental challenges such as erosion, flooding and siltation of rivers, streams, coral reefs and dams can also be resolved through forest rehabilitation. Other challenges pertaining to SFM such as capacity development, research and on the job training can be resolved.

The main objective for global funds in its effort to resolve challenges is to rehabilitate depleted forest for sustainable social, economic and environmental benefits for all stakeholders. Activities that will contribute to the successful implementation of the objective includes the following:

- Nursery operations (seed collection, sowing etc.)
- Strategic and systematic clearing operation;
- Planting of seedlings in depleted forest;
- Tending of seedlings and saplings;
- Monitoring and evaluation of operation.

The projects can be completed between three to five years from the date of commencement and is estimated to cost approximately US\$1 million.

Internationally, the Global Fund can contribute significantly to resolution of the challenge of increase carbon emission, desertification, lost of biological diversity and environmental problems.

**Other existing and emerging sources of financing and mechanisms that could be utilized to implement sustainable forest management, the four global objectives on forest and the Non-Legally Binding Instrument on all types of forest (NLBI)**

Sources of financing and mechanisms that can be utilize to implement SFM, the four global objectives on forest and NLBI are as follows:

- The establishment of national trust funds for the sustainable management of forest and protected areas,
- Payment foe environmental goods and services,
- Portfolio of multiple funding sources generating additional funds from public and private sources.
- Building up a sustained funding base using a stepwise approach.

**Other views and suggestions:**

The consultative and highly participatory approach by UNFF can be highly recommended as it increases chances of project implementation success. Countries are given the opportunity to send representatives at UNFF meetings to voice concerns and participate in discussions. Decision is on the basis of consensus and chances of member states views being represented is high. This gives participating countries very high confidence in the funding mechanism not only because of the incorporation of their views in decision making but also because there is a sense of ownership and empowerment in the funding initiatives. In this respect, it is fundamental that funding continue to be demand driven (projects must come from the countries based on their desires / needs) and their must be allowance for flexibility. The various condition of countries / states must be taken into account and due consideration should be given. Additionally, synergies could be built with CDB, UNCCD and UNCCC for SFM.