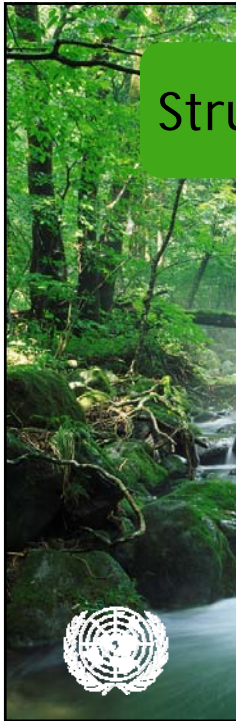
The slide features a background image of a forest stream with a waterfall. A green horizontal bar at the top left contains the word "Mandate" in white text. To the right of this bar, there is a list of bullet points. At the bottom left of the slide, there is a small white United Nations logo.

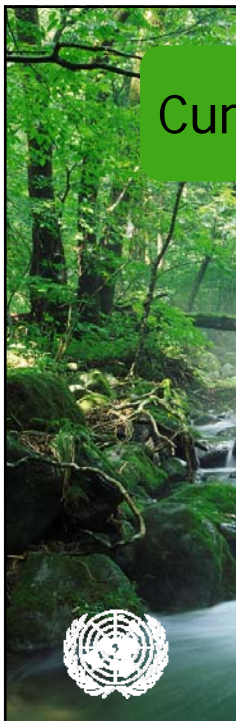
## Mandate

- ECOSOC resolution 2007/40
  - UNFF8 to decide on a financial architecture
- Means of implementation including finance as cross-cutting issues for each session



## Structure of the report

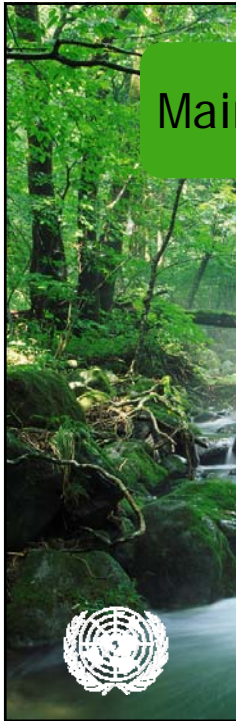
- Two main parts
  - Part 1: Financing for SFM
  - Part 2: Other means of implementation (Capacity Building, Transfer of Environmentally Sound Technologies, Awareness-raising, Education, and Information-sharing)
- Sets of recommendations



## Current financing architecture

- Various sources of financing
- Huge gap between need and flow to implement forest instrument
  - ODA flows: \$1.9 b
  - FDI to developing countries: \$0.5 b
  - Several geographic and thematic gaps

(Reference: AGF study)



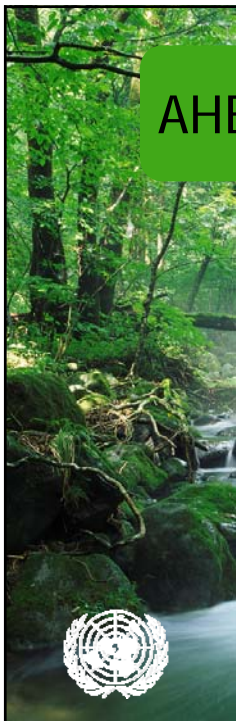
## Main Gaps in Financing

Geographic gaps:

- LFCC, SIDS, Africa, LDCs, countries with high or medium forest cover, Many countries with still large forests

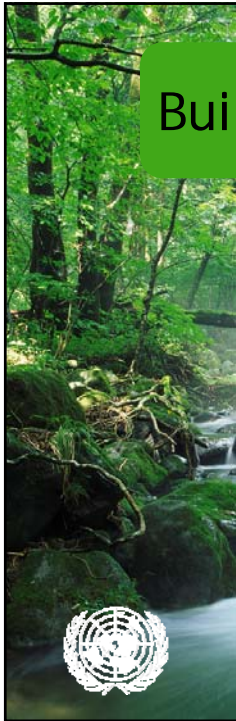
Thematic gaps:

- Forests outside protected areas
  - Management of natural tropical forests
- Restoration of degraded forests and lands
- Reforestation and afforestation of drylands
- Upfront investment for SFM



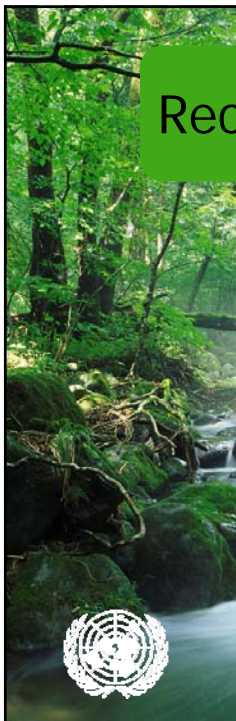
## AHEG outcome

- Recognition of substantial funding gaps and needs
- Convergence on two broad concepts
  - Dedicated fund
  - Facilitative mechanism
- Follow-up process
  - A questionnaire on proposals for financing SFM (survey)
  - Consultation meetings before UNFF8



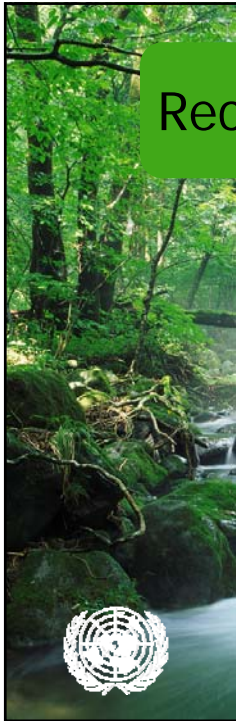
## Building blocks on finance

- Addressing gaps and constraints
- Implementing the Forest Instrument - key to SFM
- Linking with emerging financing mechanisms
- Attracting financial resources from the private sector
- Critical context: Global financial crisis
- Being realistic



## Recommendations on finance

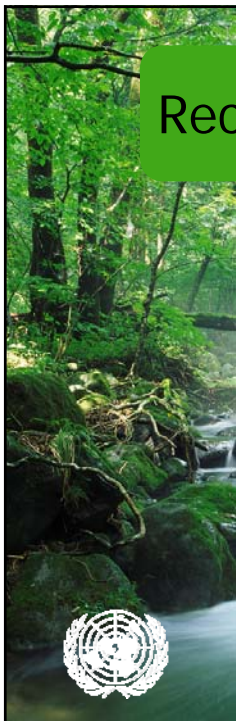
- Establish a facilitative mechanism (FM) with dedicated funds
- Start process immediately after UNFF8
- UNFF9 to review the initial results
- Functions of Facilitative mechanism:
  - enhance coordination and coherence among relevant funding sources and mechanisms;
  - identify new and additional financial resources, explore investment opportunities and funding including a portfolio approach and creation of targeted financial mechanisms/funds;



## Recommendations on finance

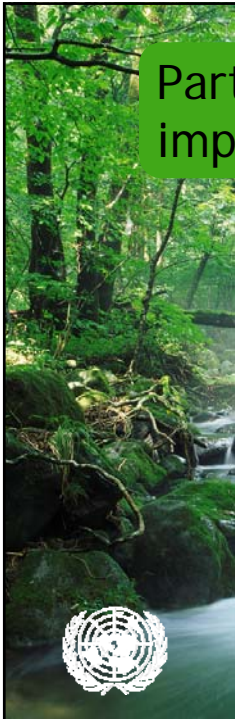
### Functions of Facilitative mechanism:

- encourage strategies for achieving SFM;
- promote partnerships and joint programmes;
- encourage stakeholder participation
- give due regard to needs of groups and regions with serious SFM challenges and financial constraints, e.g. Africa, LFCC, SIDS and HFLD;
- promote international cooperation including N-S, S-S and triangular cooperation; and
- enable UNFF to provide policy advice to SFM-related funding mechanism (e.g. WB-FIP)



## Recommendations on finance

- Secretariat to take necessary steps
- CPF to support the work; its important role (e.g., gap analysis and financing) be recognized
- a solid funding basis to FM is required for immediate implementation;
- FM is not a policy setting mechanism; works under the Forum;



## Part 2: Other means of implementation (MOI)

- Countries need different types of MOI
- Most of the MOIs are intricately related to financing
- Enhancing MOIs is a continuous process
- Special attention is needed to build capacities of developing countries on Climate Change aspect
- Different actors



## Part 2: Recommendations

- Present in 2011 an analysis of the implementation of the previous decisions on MOIs
- Encourage CPF to implement agreed actions
- Encourage collaboration and coordination among different actors
- Support development of initiatives
- Request CPF members to assist countries on CC-related tech and policy issues



## Bottom line

- It is urgent to address finance issue
- Initiate now
- Be realistic, adopt a step-wise approach
- Other MOIs are related to finance and they need constant support



Thank you!

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