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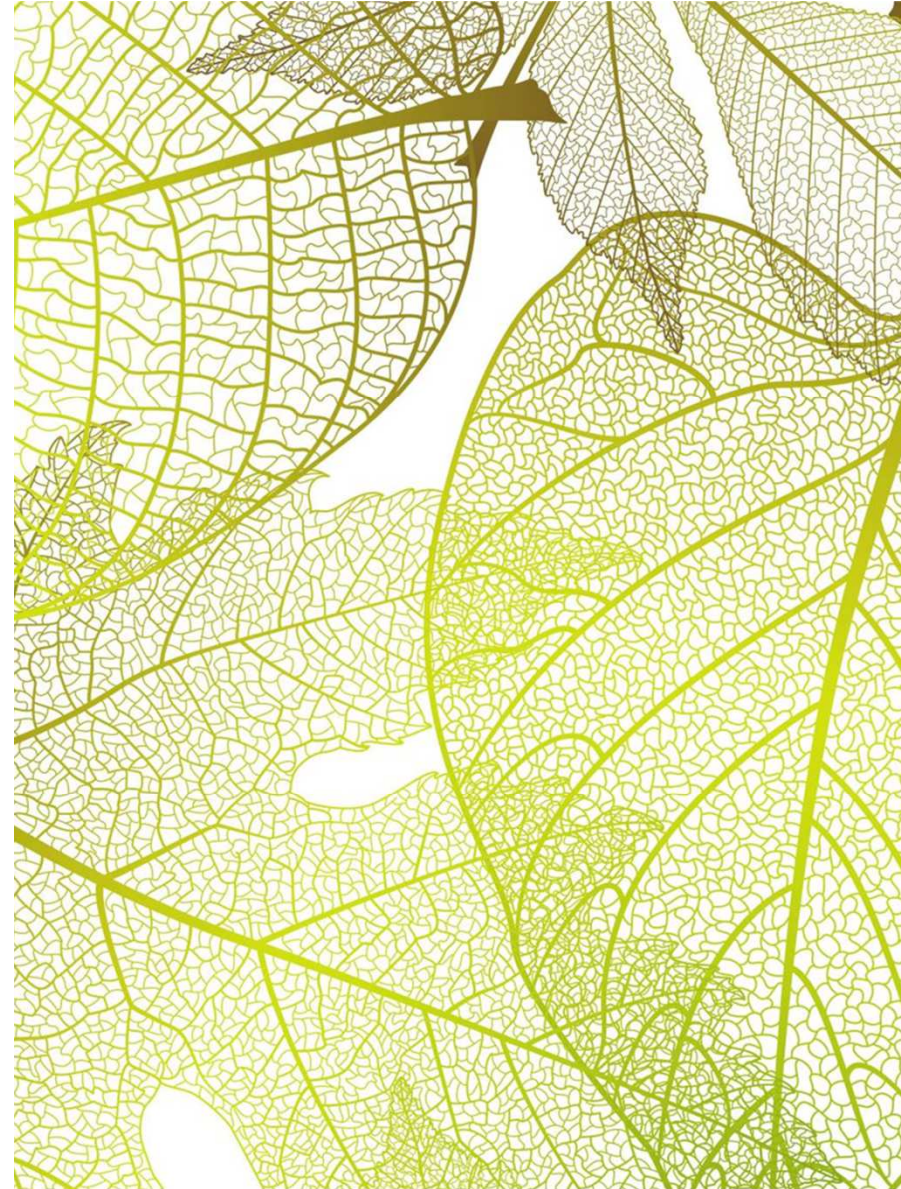
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Status of existing resources for forests

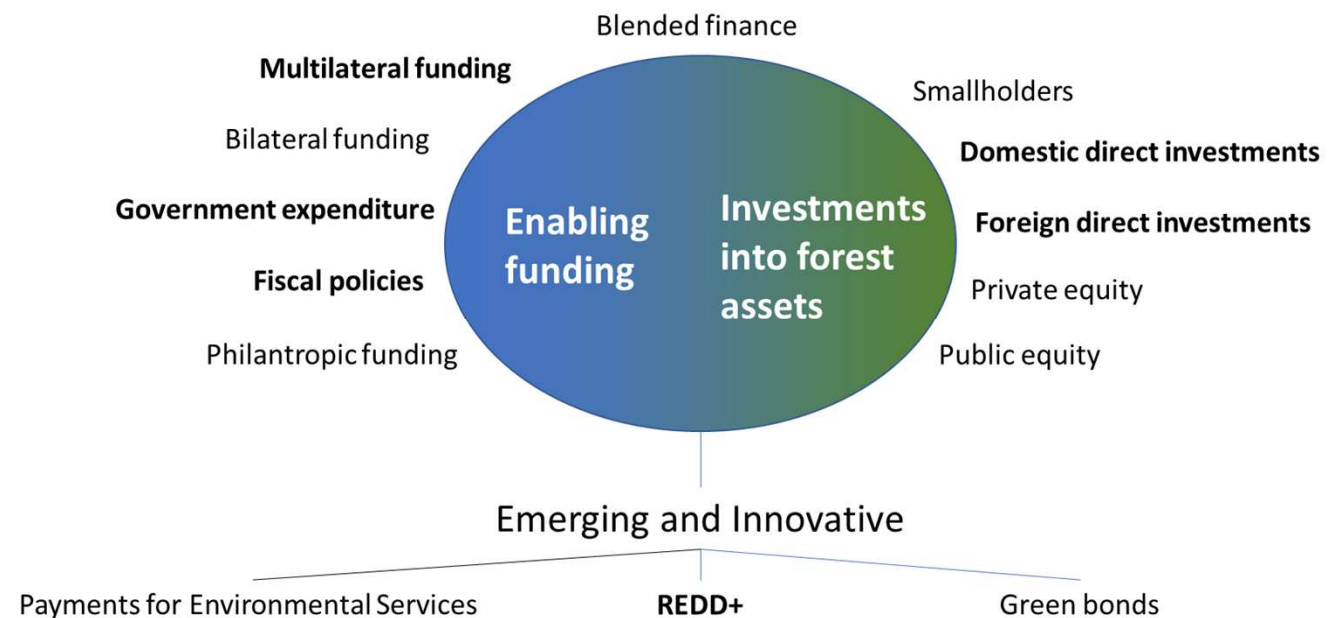
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Overview

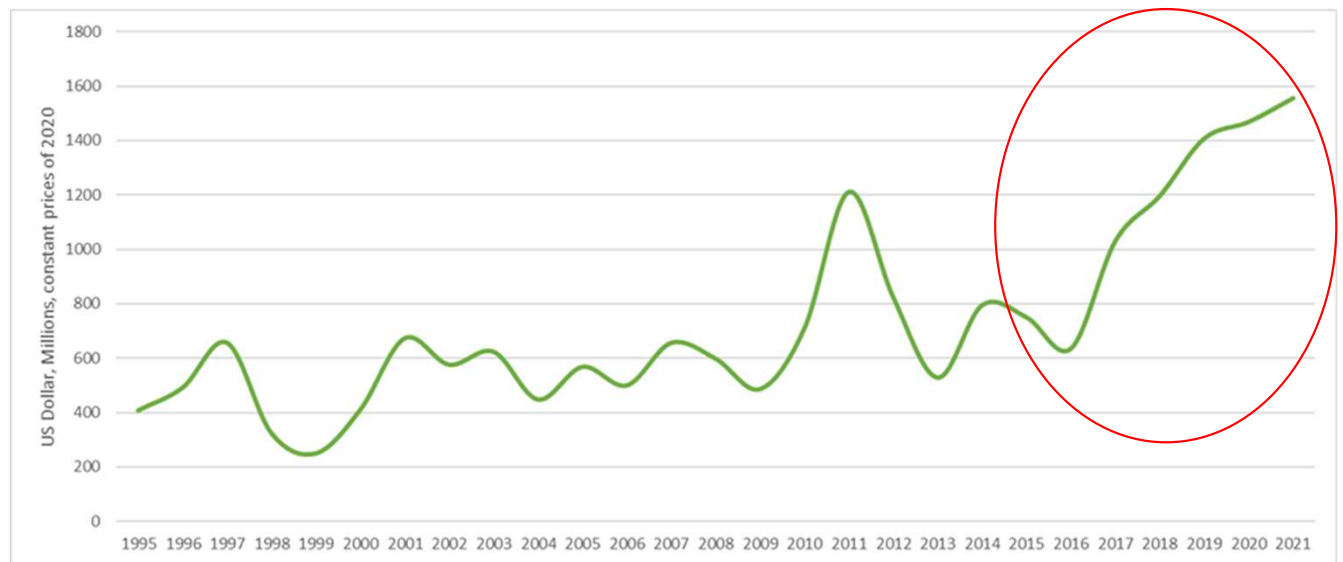
1. Enabling funding
2. Investments into forest assets
3. Barriers to forest funding
4. Recommendations



FUNDING SOURCES COVERED IN THE REPORT
Bold= addressed in this presentation

Enabling funding

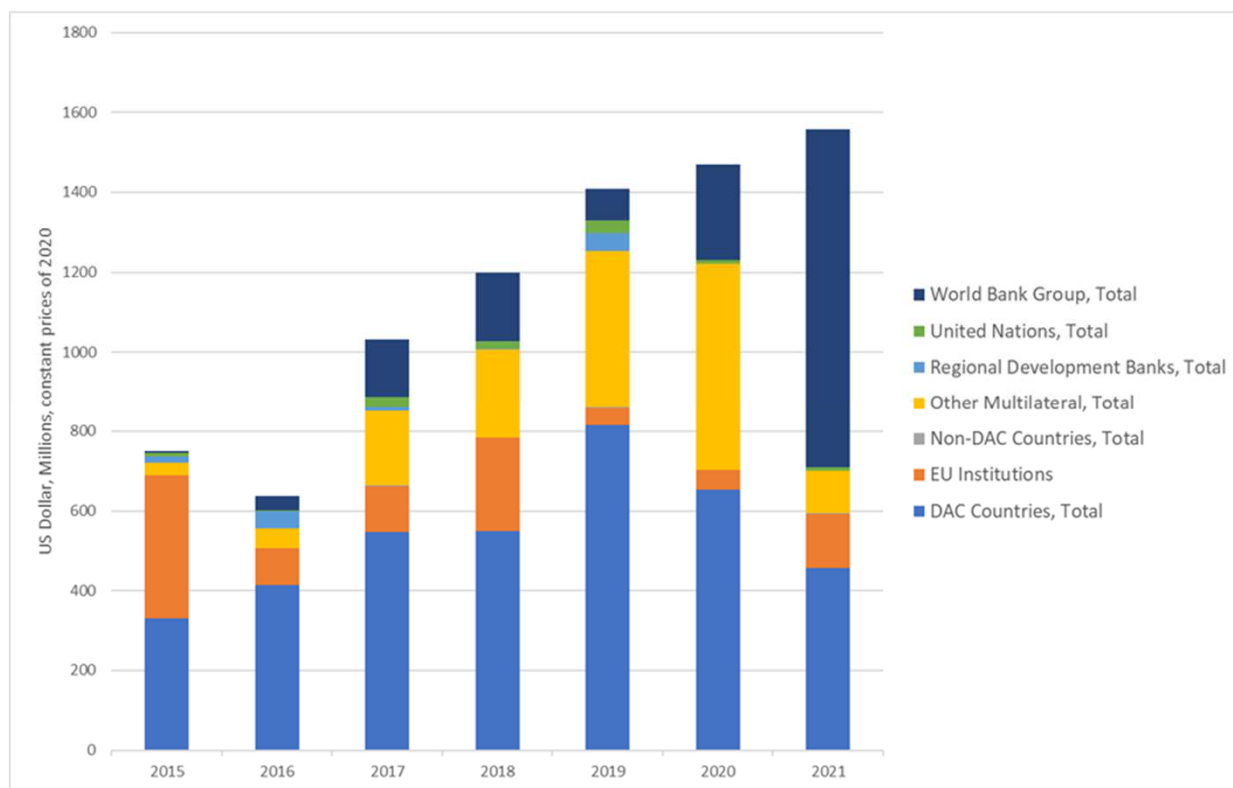
Doubling of available funds
from 2015 to 2021
..but a major funding gap
remains



FORESTRY MARKED ODA 1995-2021

Data source: OECD 2023

Source groups



FORESTRY MARKED INTERNATIONAL PUBLIC FINANCING BY SOURCE GROUP

Data source: OECD 2023

Domestic resources



Government expenditure

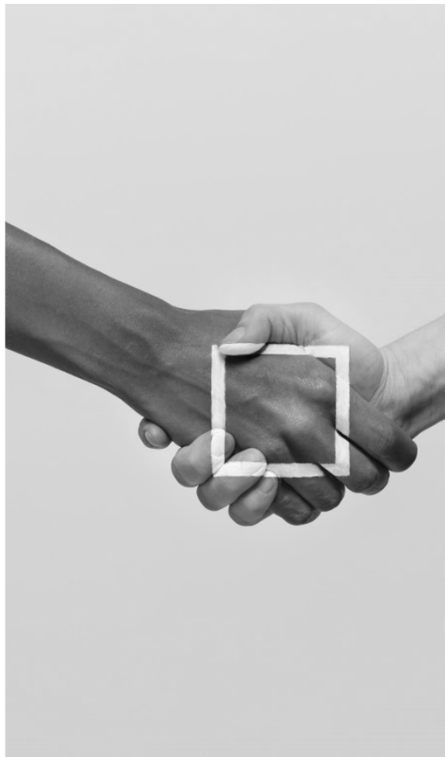
- Median USD 4/ha in countries with no change or net increase in forest area
- Median USD 1/ha in countries with net loss

Fiscal policies

Examples:

- Tax on timber and other products
- Area fee
- Input tax (water)
- Tax exception (fuel)

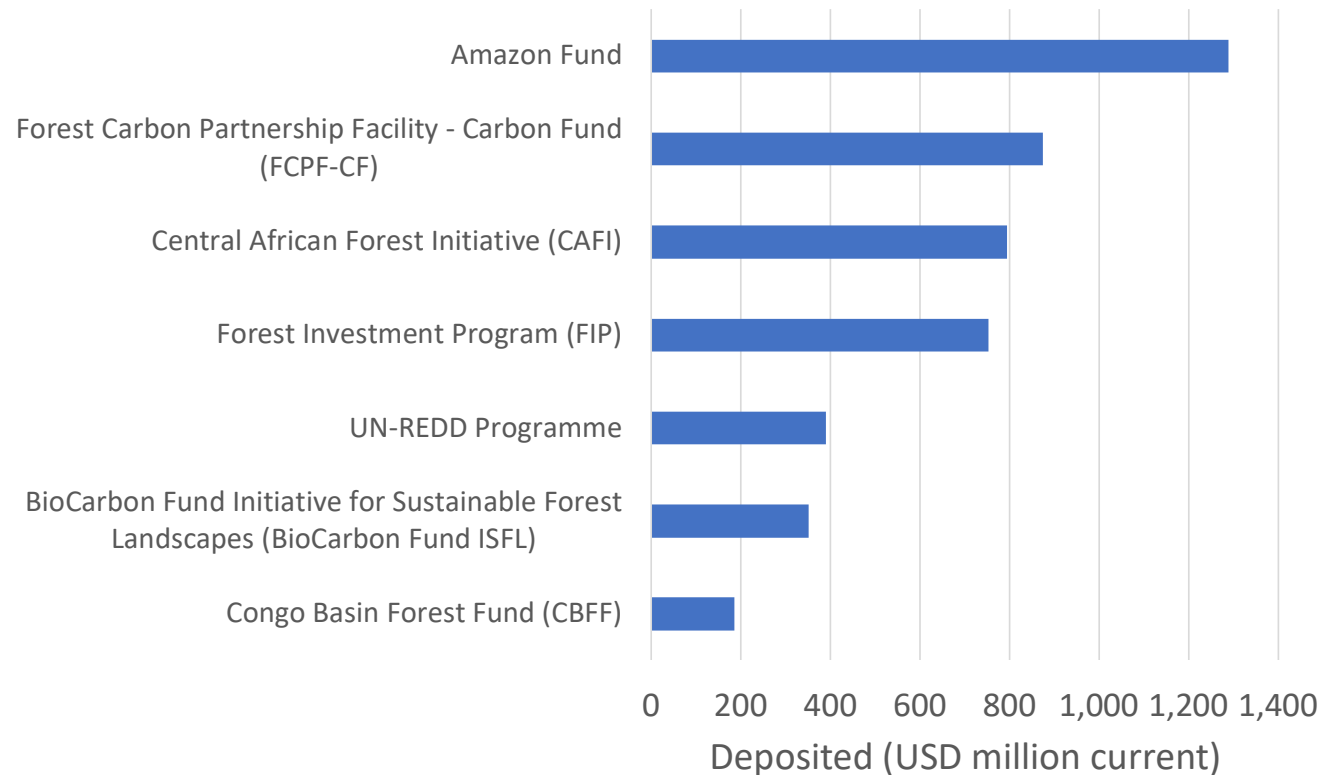
Investments into forest assets



- USA largest market for timberland investments, ~800'000ha – 1'200'000ha /a changed hands 2015-2022
- Among developing countries, transnational forest land deals most frequent in Brazil but largest in terms of area in the Republic of the Congo
- FDI policies
 - Several emerging economies attracting FDI
 - Developed economies tightening FDI regulations

REDD+

REDD+ funding has been disbursed mainly through 7 bilateral and multilateral initiatives



REDD+ FUNDS

Data source: Climate Funds Update

(Note: Data includes contributions before 2015)

Barriers

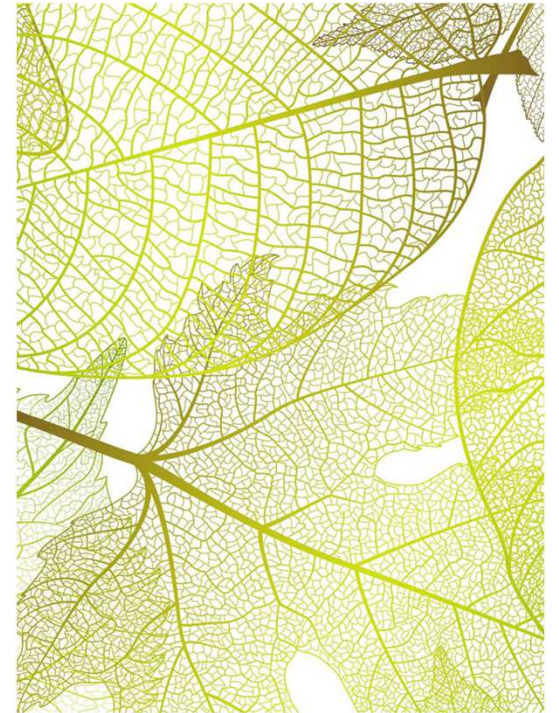
Mostly well-known and stable over last 30 years

- Investment risks due to unsolved governance issues
- Political and economic instability
- Different expectations among funding recipients and funding providers
- Insufficient coordination
- Knowledge and data gaps
- Funding for forests dwarfed by resources invested into sectors which often harm forests

Recommendations & Strategies

GFFFN

- Maintain efforts to develop Clearing House
- Regularly check whether there is a good balance between the various areas of responsibility of the GFFFN



Recommendations & Strategies

Governments

- Create the best conditions for the implementation of SFM in their jurisdictions
- ..but also in countries on which their domestic consumption has an ecological footprint

Strategies for governments

- Maintain efforts to increase the provision of financial resources for SFM
- Use, promote, and contribute to the Clearing House
- Uphold the momentum that has led to the increase in financing for forests
- Provide secure forest tenure rights to smallholders, local communities, and Indigenous Peoples
- Decrease investment risks for foreign capital while ensuring that FDI fosters SFM and doesn't impinge on local peoples' rights and needs
- Contribute actively to regulatory frameworks on 'green' or 'sustainable' investments (e.g. taxonomies)
- Review effects of current fiscal policies on SFM, reform where necessary
- Review effects of current trade agreements on SFM, reform where necessary

Recommendations & Strategies

Consumers

- Make conscious consumption decisions
- Signal demand for SFM

Strategies for consumers

- Restrict public procurement of forest products and services to products and services sourced from SFM
- Corporate and private consumers: select forest products and services originating from SFM, e.g. certified products
- Pro-actively ask sellers about products' origins to signal that SFM matters to consumers and that they are not indifferent

Thank you