

**Preparations for the Midterm  
Review (MTR)  
of the International  
Arrangement on Forests (IAF)**

**Assessment on actions related  
to the Global Forest Financing  
Facilitation Network (GFFFN)**

Nairobi, 20 June 2023  
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## **Actions related to Assessment D on the Global Forest Financing Facilitation Network**

1. Assess the progress made by the GFFFN towards achieving the objectives of the international arrangement on forests, as defined in Council resolution 2015/33.
2. Review the performance of the Network and the impacts of its activities, the sufficiency of its resources and the challenges to and constraints on its work.
3. Propose measures to increase the efficiency and added value of the Network and strengthen its capacity to facilitate and enhance access by eligible countries to resources for forests from all sources and review the Network guidelines adopted during the thirteenth session of the Forum, in the context of the midterm review of the international arrangement on forests in 2024.

## The UNFF and promoting forest financing for SFM since the adoption of the NLBI/UNFI in 2007

- Facilitative Process (2009-2014)

Established by the special session of the ninth session of the UNFF to assist developing countries and countries with economies in transition to identify obstacles and opportunities for accessing the required funding from all sources and thereby to help them mobilise funds for forests.

Focus placed on SIDS, LFCCs, Africa, least developed countries and climate change, leading to analytical studies.

- GFFFN (2015-present)

ECOSOC Resolution 2015/33 on the IAF beyond 2015 changed the name of the UNFF Facilitative Process to the Global Forest Financing Facilitation Network. It further decided that clear priorities for the GFFFN were to be set in the United Nations Strategic Plan for Forests 2017-2030 (UNSPF).

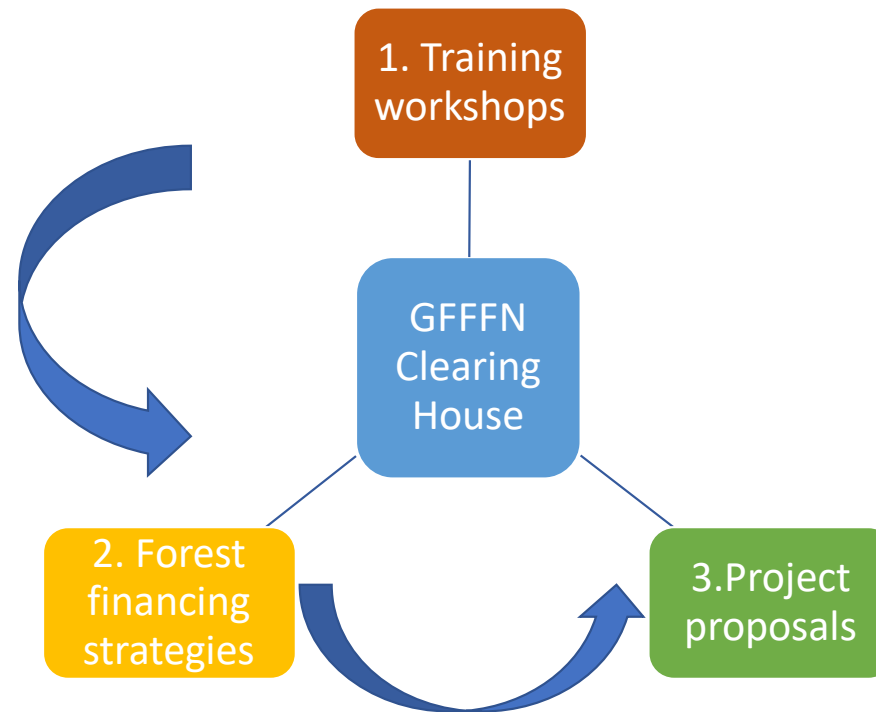
the biggest change is the direct, more focussed assistance in forest financing that the GFFFN is providing to countries in the development of forest financing strategies and supportive project proposals.

# Priorities of the GFFFN

- To promote and assist Members in designing national forest financing strategies to mobilize resources for sustainable forest management;
- To assist countries in mobilizing, accessing and enhancing the effective use of existing financial resources from all sources for sustainable forest management;
- To serve as a Clearing House and database on existing, new and emerging financing opportunities and as a tool for sharing lessons learned and best practices from successful projects;
- To contribute to the achievement of the global forest goals and targets, as well as priorities contained in the quadrennial programmes of work.

(ECOSOC Resolution 2017/4, Annex 1: United Nations strategic plan for forests 2017–2030)

## The UNFF forest financing capacity-building framework



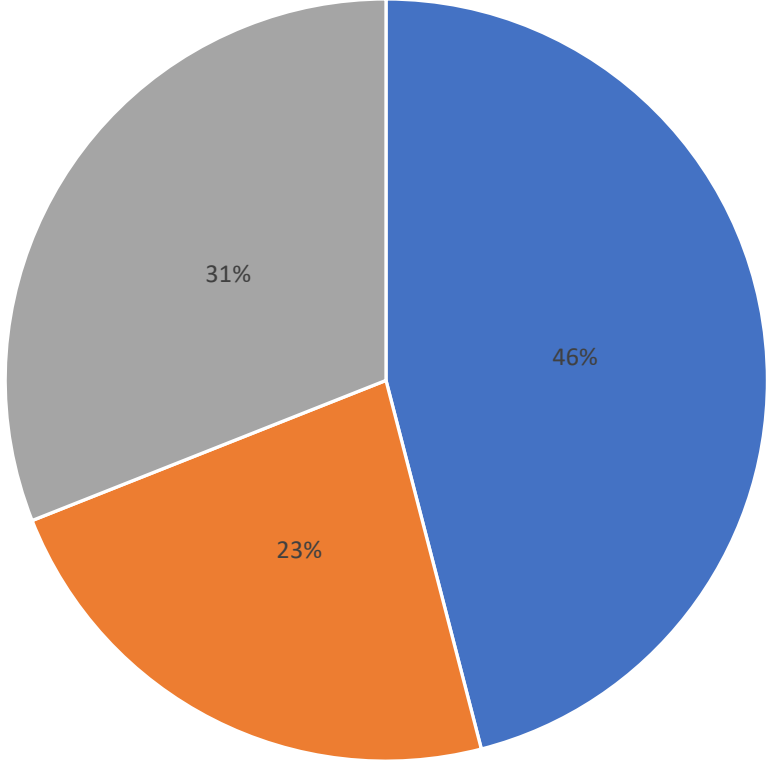
# Capacity-building training workshops

- The principal objective of the training workshop is to engage public and private sector stakeholders in the design of a national forest financing strategy.
- Training and background materials on the drafting of national forest financing strategies and potential project proposals are provided to participants.
- In 2019, the UNFFS published a training package for the development of national forest financing strategies, which is available on the GFFFN Clearing House website.
- The workshops identify follow-up steps, including the establishment of a national team of stakeholders, for completing the forest financing strategy and a possible supportive project proposal.
- Since November 2015, 36 capacity-building workshops on forest financing were held with approximately 1,300 participants, with most taking place prior to the COVID-19 pandemic.

## Forest financing strategies & supportive project proposals

- 33 countries have requested GFFFN capacity-building support.
- 7 forest financing strategies have been validated by countries and an eighth has been completed and will be presented for validation.
- 11 forest financing strategies are to be validated or are still in preparation and a 12<sup>th</sup> is outstanding (GFFFN financing unavailable).
- The GFFFN has completed work on 19 project proposals.
- 14 project proposals are on-going and subject to final approval by governments.
- 6 project proposals are outstanding (GFFFN financing unavailable).

Climate change focus of project proposals



■ Mitigation ■ Adaptation ■ Cross-cutting ■



# Sub-focal areas of 28 forest climate change project proposals

MITIGATION		ADAPTATION	
Forest landscape restoration	23	Strengthening the resilience of vulnerable communities	20
Protection of established forests and reduction of deforestation	16	Protective function of forests against extreme weather events	20
Agroforestry	9	Climate-resilient agriculture and food security	15
Payment for forest ecosystem services (PFES)	8	Improved management of freshwater resources	7
Increased use of sustainably harvested fuelwood	9	Land degradation	15

## Obstacles confronting requesting countries in mobilizing forest financing

- Lack of information on available funding opportunities and their requirements.
- Lack of a dedicated institutional organization and clearly articulated strategy for forest resource mobilization.
- Lack of capacity in project preparation. In most cases there are no staff/personnel assigned to resource mobilization.
- High project preparation costs, especially for GCF and GEF.
- Reliance on international accredited or implementing entities that often have very long pipelines and their own priorities.

# GFFFN Clearing House

- Phase I of the Clearing House, comprised of a website and three databases: (i) funding opportunities, (ii) information and learning materials for accessing resources, and (iii) lessons learned and best practices, was launched in April 2021.
- At the end of September 2022, total data entries in the phase I databases of the Clearing House had increased to 219 from the 130 entries present at the time of the launch of phase I at the sixteenth session of the Forum.
- From 1 May 2021 to 30 September 2022, the Clearing House website attracted 16,694 new users from 174 countries with 25,464 pages viewed.
- Phase II of the Clearing House is currently under construction, consisting of a database on the flow of financial resources to forests, which will provide data for assessing progress towards target 15.b of SDG 15 and Global Forest Goal 4 on mobilizing significant resources to finance SFM.
- *The UNFF Clearing House on Forest Financing Quarterly Highlight*, which includes information on new financing opportunities, learning materials and good practices.

# GFFFN Resources and Staffing

- 2-3 professional staff are primarily dedicated to the GFFFN, none of which are dedicated full-time to the Facilitative Network.
- In the seven years since its inception in May 2015, annual extrabudgetary resources for providing technical support to countries amounts to US\$711,824 (\$413,844 per year for 2020 and 2021).
- Donors of extrabudgetary resources generally prefer to fund substantive activities such as country support, rather than any operational or staffing cost. However, without staff, the substantive activities of the GFFFN cannot be implemented.
- Inadequacy extrabudgetary resources and staff insufficiency have resulted in the long response time to country requests of up to 14 months prior to the COVID-19 pandemic, undermining the agility and credibility of the GFFFN as an effective support partner. Since the outbreak of the pandemic, yet-to-be-provided GFFFN support following the submission of requests has exceeded 3 ½ years for three countries as of 31 October 2022.

## External constraints affecting preparation and provision of assistance at the national level

- Strategies for mobilizing domestic financing may require fiscal policy or legislative changes, resulting in delays in the implementation of strategies.
- The COVID-19 pandemic resulted in numerous delays in the preparation of NFFSs and project proposals, affecting the work and deadlines of representatives of relevant government offices, partners and stakeholders, as well as GFFFN staff.
- Inadequate response from a few governments on drafts of an NFFS or project proposal negatively impacted their preparation and the timeline for their presentation to a donor organization.
- Some national designated authorities for donor organizations failed to inform the GFFFN and the national project drafting team of similar parallel project proposals that had already been presented or were about to be presented to a donor organization.
- A change of a government administration or minister in a few cases resulted in project proposals having to be substantially revised due to a new focus or being scrapped for a lack of interest.

## External constraints affecting preparation and provision of assistance at the international level

- Very long pipelines by an accredited entity or implementing agency can result in lengthy delays in project proposal finalization, submission to and approval by a donor organization.
- In a few cases, the accredited or implementing entity may clash with the requesting country on the focus and objectives of a project proposal due to differing priorities, which can also cause further delays beyond the control of the GFFFN.
- A major constraint affecting both countries and accredited entities is the cost of preparing a full-sized project proposal for the consideration of the GCF, which is estimated at approximately US\$500,000-600,000 per project. Most accredited entities do not apply for Project Preparation Facility (PPF) funds since the GCF Secretariat expects large international AEs to mobilize their own financial resources for project preparation. Consequently, accredited entities can only take on a limited number of project proposals that they can finance in any given year.
- In some cases, accredited or implementing agencies lacked sufficient funds to (a) carry on with the finalization of a Concept Note once the GFFFN had completed its work or (b) to proceed with the preparation of the full-size project proposal.

# Key conclusions

1. The GFFFN has assisted 34 countries and member countries of four regional organizations in their endeavours to mobilize SFM financing, through capacity-building leading to the development of forest financing strategies and supportive project proposals, engaging a wide range of public and private sector stakeholders and partner organizations.
2. The successful launching of phase I of the GFFFN Clearing House has greatly facilitated access to information on existing and emerging sources of financing of SFM.
3. The primary bottleneck of the GFFFN in unlocking financing is not technical or financial. It is because originating a project proposal requires considerable brokerage and networking efforts, notably to secure backing from the GCF or GEF NDAs and endorsement from accredited entities.
4. Bearing in mind the outstanding requests for support from countries and to expand assistance to additional countries in the future, the GFFFN could respond more adequately with additional staffing from the UN regular budget and extrabudgetary resources from the UNFF Trust Fund.
5. Despite the professionalism of Secretariat staff supporting the work of the GFFFN, success in actually mobilizing forest financing for developing countries and countries with economies in transition has been limited largely due to external constraints and very long approval processes outside the control of the GFFFN.

<b>Donor financing sought versus donor financing received</b>	
Number of GFFFN-finalized project proposals	19
Donor funding sought	US\$525,503,040
Co-financing committed	US\$558,149,618
Total project proposals financing	US\$1,083,652,658
Average funding sought from donor(s)	US\$27,658,055
Average funding including co-financing	US\$57,034,350
Number of project proposals funded	4
Donor funding mobilized	US\$44,008,278
Co-financing committed	US\$53,925,286
Total project proposals financing received	US\$97,933,564
Average funding from donor(s)	US\$11,002,070
Average funding including co-financing	US\$24,483,391
% of 19 project proposals mobilizing forest financing	21%
Donor financing received as a % of total	8.37%
Note: Please refer to paragraphs 54-55 and 119 of Assessment D.	



### Length of time from country request to approval of a full-sized project proposal

	Project proposals	Duration
Average period from receipt of country request to finalization of GFFFN support (pre-pandemic)	14	18 months
Average period from receipt of country request to finalization of GFFFN support (post-pandemic)	5	38 months
Average period for obtaining donor approval (GEF)	3	29 months
Average period for obtaining donor approval (GCF)	1	44 months
On-going project proposal preparation supported by GFFFN	8 of 14	48+ months
Estimated period for GEF and GCF approval of full-sized project		2-6 years
Currently Estimated period from receipt of country request to approval of full-sized project		4 - 7 ½ years

## Key recommendations for improving GFFFN performance

- *Welcomes with appreciation* the contributions of members to the Forum Trust Fund and *invites* members and others in a position to do so, to provide voluntary contributions to the Forum Trust Fund to scale up the activities of the GFFFN, including its Clearing House.
- *Requests* the Under-Secretary-General for Economic and Social Affairs to consider strengthening GFFFN staffing to assist in responding to the increased demands by countries, and in updating and managing the Clearing House mechanism and its databases.
- *Encourages* members to acknowledge that training in forest financing at the country level should not be seen as a one-off activity but rather as a process that may require periodic renewal by the GFFFN.
- With a view to optimizing the use of its resources, *requests* the Secretariat to expand the work of the GFFFN with regional and sub-regional intergovernmental organizations in providing forest financing capacity-building to its member countries, including the development of forest financing strategies.
- *Requests* the Secretariat of the Forum, in collaboration with CPF members, to continue to update and maintain the GFFFN Clearing House, including its database on forest financial flows, and *invite* CPF member organizations and UNFF stakeholders to share their lessons learned and best practices regarding forest financing for publishing on the Clearing House website.

## Key recommendations for improving GFFFN performance

- *Requests* the Secretariat to engage the CPF more closely than in the past in supporting the on-going work of the GFFFN in the elaboration and promotion of project proposals where its members have been invited to serve as GCF accredited or GEF implementing agencies.
- Noting that the GCF on 1 March 2023 became a member of the CPF, *requests* the Forum Secretariat to regularly update the GCF Secretariat on its pipeline of GFFFN-supported project proposals in order to improve coordination and cooperation in project proposal development.
- *Encourages* members requesting GFFFN support in developing GCF or GEF project proposals to ensure enlisting from the outset the full support of a GEF implementing agency or GCF accredited entity.
- *Requests* the Forum Secretariat, when a request for GFFFN support is received from a country, to send an expression of interest to CPF members, including the targeted funds (GEF and/or GCF) so that the fund, a potential accredited entity/implementing agency and the GFFFN can co-originate the proposal from the inception of the forest financing facilitation process.
- *Encourages* members to increase extrabudgetary support to the UNFF Trust Fund for assisting requesting countries and accredited entities in the preparation and finalization of full-sized project proposals for funding by donor organizations.

**Assessment on  
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**Thank you**

