

# Germany's Voluntary National Contribution towards achieving the Global Forest Goals and targets of the United Nations Strategic Plan for Forests

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## PREFACE

In 2017 the United Nations General Assembly adopted the "United Nations Strategic Plan for Forests" in New York. The Federal Government of Germany welcomed this decision as a significant step; Germany was amongst the nations that had campaigned for a global forest strategy in order to enhance and upscale coherent activities, at all levels and beyond the UNFF itself, in support of sustainable management of all types of forests.

The Federal Government of Germany is actively involved in all international forest-related processes and also seeks to set a good example at national level. The activities undertaken by the Federal Ministry of Food and Agriculture (BMEL), the initiatives launched by the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), and the development cooperation implemented by the Federal Ministry for Economic Cooperation and Development (BMZ) complement each other in this respect.

Based on the United Nations Strategic Plan for Forests, Member States may determine, on a voluntary basis, their contributions towards achieving the Global Forest Goals and targets, taking into account their national circumstances, policies, priorities, capacities, levels of development and forest conditions. Furthermore, Member States may include in their Voluntary National Contributions the forest-related contributions they intend to make to other international forest-related commitments and goals, such as the implementation of the 2030 Agenda and its Sustainable Development Goals, the Aichi Biodiversity Targets and actions to address climate change under the Paris Agreement adopted under the United Nations Framework Convention on Climate Change.

Following this call, Germany herewith presents its first Voluntary National Contribution (VNC) towards achieving the global forest goals and targets of the United Nations strategic plan for forests. It includes contributions of both national and international activities and policies to support the conservation and sustainable management of forests and their restoration.

## INTRODUCTION

The Federal Government of Germany is obliged to submit a comprehensive forest report to the German Parliament at regular intervals. This VNC builds on data from the most recent report covering the period 2009 to 2017.

The forest is a defining part of Germany's cultural landscape. 32 per cent of the country's surface area consists of forests. The forests in Germany are mainly commercial forests, and are managed on a sustainable, multifunctional basis. In this context, the forests in Germany fulfil a diverse range of functions, simultaneously and on the same area. They are a product of our country's cultural history, shaped by human activity, and expressing the whole spectrum of claims that are made on forests

There is a constantly-changing field of different, sometimes conflicting demands that humans make on forests in economic, environmental and societal terms. Politics finds itself challenged to work towards a balancing-out of the interests involved and to set up the framework for this accordingly. The Act for Conserving the Forest and for Promoting the Forestry Sector (Federal Forest Act) is the most important tool for forest protection in Germany. At the level of individual German *Länder*, this is implemented and supplemented by the *Land*-level forestry acts. Additional rulings in Federal and *Land* laws govern nature protection, hunting, plant protection, etc. The Federal Forest Act prescribes orderly and sustainable forest management. Future generations must also be enabled to derive at least as much benefit from the forest as this generation does.

### **The Federal Government's goals in international forest policy**

The conservation and sustainable management of the forests globally, and also the restoration of degraded and destroyed forests, constitute an important global goal and thus a crucial challenge for the international community of states. This task takes its foundation from the numerous functions of use, protection and human interaction and/or ecosystem services that forests provide to society. Germany is committing itself to existing global environmental and development goals, such as the Aichi Biodiversity Targets of the Convention on Biological Diversity (2010), the Sustainable Development Goals (2015), the goals in the Paris Agreement on Climate Change (2015), the goals of the New York Declaration on Forests, the Global Forest Goals (updated: 2017), and all further forestry-relevant development goals at international level. Thus, Germany ranks among the active advocates, initiators and implementing partners of all current forestry-relevant processes at international level.

In all implementation measures, it is an important objective for the Federal Government to promote and to safeguard the involvement of non-state stakeholders. This involvement of directly-affected user-groups can simultaneously make important contributions to the long-term securing of national resources, income, and also to food security and to combating poverty, especially in the rural areas; it can also positively influence developments promoting democratisation and better governance. In the consumer countries, non-state stakeholders are a significant influencing factor in the shaping of policy and in consumer behaviour. The collaboration with private enterprise is likewise a key constituent part of the Federal Government's international forestry policy.

## Germany's voluntary national contribution

The forests, including in Germany, perform a whole spectrum of functions for our society – in providing use, protection, and recreation. They are important habitats for animals and plants; they protect soils, water and the climate; they also purify the air. Alongside wood - that renewable raw material – they provide us with fungi, decorative greenery, and other products. Not least, they give people a significant recreation area. This places forests at the centre of a whole range of interests and concerns that, in some aspects, conflict with one another.

The Federal Government's goal in forest policy is to develop a viable balance, adapted to future requirements, between the growing demands made on forests and their sustainable performance. The basis for this is equal consideration of the three dimensions to sustainability, i.e. ecological, economic and social. Intact ecosystems are a crucial basis for humankind and sustainable development. The goal of the sustainable use of forests calls for the same weight to be given to economic viability as ecological responsibility and social justice.

There are plantations where wood-production enjoys priority; there are also, for instance, forest areas in which overriding importance is given to nature-protection goals; by contrast, the multi-functional forestry management, operating in what is by far the main part of Germany's forest areas, renders numerous services to the national economy and the public good, on the same physical area. Sustainable forest management secures the forests and their ecosystem contributions that they make, for tomorrow and not only today. Wood production, nature protection and recreation secure jobs and value-added in rural areas.

The principle of sustainability is firmly anchored in the Federal Forest Act, the Forest Acts of Germany's various *Länder*, and the German Forest Strategy 2020. Sustainable forestry is the key to our forests securely continuing to be able to fulfil their diverse range of functions in the future.

## Prerequisites for sustainable forestry

Sustainability in forestry can be attained solely if its prerequisites are fulfilled. In Germany this is implemented, as follows:

- **Sustainability as a goal:** For forest owners and forestry professionals in Germany, sustainability is forest practitioners' shared understanding of their roles and a founding principle of forest management.

- **Qualified forest owners and forestry professionals:** Forest owners with specialist expertise and comprehensively trained forestry personnel serve as an essential defining characteristic of sustainable forestry, and also an essential precondition for it. In Germany, there exist good vocational training, and information and learning opportunities for forest owners.
- **Soundly-based knowledge of the complex forest ecosystem, and of forest-management's effects within it:** A variety of tools have been developed for this purpose, with which the forest is scientifically supported and monitored intensively. These tools are forest research, forest inventories, soil-condition surveys, forest-based environmental monitoring, and forest site mapping.
- **Framework conditions within society:** The most important prerequisite for sustainable forestry is a society that highly values the forest and its contributions. To express this appreciation, in Germany a framework is maintained that renders support to the safeguarding of the forest and to sustainable forestry. In particular, this includes the legal framework, specialist public authorities that function effectively and have relevant decision-making authority; vocational-training and research institutions for forestry matters, as well as offers of state-initiated consultancy, further training and financial support for private forest-owners.

## **Sustainable forest management in the context of national forest policy in Germany**

The main forestry regulations and the overall objective for forest policy at Federal level can be found in the Federal Forest Act. It is implemented and supplemented by the Land-level forestry acts. In Germany, all forests are covered under the Federal Forest Act and the *Länder*-level forest-related laws. In addition to this, there is the Federal Nature Conservation Act and respective *Länder*-level legislation. Furthermore, there is the Act on Forest Reproductive Material, the Act on the Joint Task for the Improvement of Agricultural Structures and Coastal Protection, the Timber Trade Safeguard Act, the Compensation for Forest Damage Act and the Federal Hunting Act.

## **National strategies of the Federal Government**

One of the Federal Government's political guidelines is the Forest Strategy 2020. According to its overarching vision, site-specific, robust forests with mainly indigenous species of trees that are able to adapt to climate change are preserved and developed by sustainable management. The forests should provide the necessary raw materials,

offer diverse habitats for flora and fauna, fulfil their protective functions and extend an invitation to leisure activities. The ecological soundness, stability and diversity of forests in Germany should have all markedly increased.

The implementation of the Forest Strategy should be carried out in coherence with further strategies of the Federal Government. The Federal Government's goal is to advance the implementation of the Forest Strategy 2020 and, in this context, additionally capitalize on the aims of the National Strategy on Biological Diversity. The following elements are relevant, as further political guidelines for Germany's forests:

- **The National Biodiversity Strategy (NBS)** is a comprehensive strategy, put into place in 2007, directed at implementation of the CBD, the Convention on Biological Diversity.
- **The German Sustainability Strategy**, 2016 edition, takes as its orientation the 17 UN Sustainable Development Goals and describes Germany's areas of potential and measures for implementing them.
- **The Climate Protection Plan 2050** provides guidance to all areas of action in the process to achieve our domestic climate targets in line with the Paris Agreement.. The focus for climate action in land use and forestry is on maintaining and improving the ability of forests to act as a sink. Other aspects include using sustainable forestry management to take advantage of the potential for reducing CO<sub>2</sub> and the closely-associated use of wood and the potential of natural forest development to mitigate climate change.

### **Germany's contributions to international forest policies**

As an aspect most recently acknowledged in the UN's Agenda 2030, forests also play an important role in many international processes, due to the diversity of the functions they have for people, nature and the environment; these include climate protection, the safeguarding of biodiversity, or the fight against poverty. These various processes and a whole spectrum of different organisations and interest groups result in a fragmented system of stakeholders and of the claims made on the world's forests. The Federal Government serves as one of the most important stakeholders in almost all processes; yet simultaneously it commits itself to greater coherence in international forest policy, so as to raise the measures' overall effectiveness.

The implementation of forestry-relevant activities is carried out by three Federal Ministries. The enhancement of coherence of these activities represents an important permanent task, including on national level.

### **1. Promoting international sustainable forest management – The Federal Ministry of Food and Agriculture (BMEL)**

In the context of its commitment to combating the advance of deforestation and illegal logging, BMEL promotes international and bilateral projects aimed at transforming forest-use worldwide to sustainable forest management. Based on the principle of 'protection through use,' modern management-concepts that take into account all forest functions and involve the local forest-users are primarily promoted, alongside specific protection measures for particular forest ecosystems. Usually the initiatives serve as demonstration projects or pilot projects. Using publications, workshops or follow-up projects, the project results are processed in such a way that they can continue to be used. BMEL provides targeted support to innovative ideas and instruments that is used in other contexts and set new developments into motion. As a result, political decision processes can be reinforced, and forest-conservation measures lastingly improved. Beyond this, BMEL promotes research-based cooperations and also knowledge transfer with Germany's forestry sector, through the German Forest Expert Program.

### **2. German Development Aid in the forestry sector - Federal Ministry of Economic Cooperation and Development (BMZ)**

German development policy and development cooperation contribute to a fairer distribution of globalisation's opportunities, enabling everyone to have a share. The boundaries of what the environment can cope with must be respected in this context. This can happen only if economic growth is enabled through a sustainable use of the natural resources, if social justice remains safeguarded, and if the ecosystem services rendered by forests are appropriately valued and respected.

The BMZ builds its development cooperation work in the forest sector upon three pillars. These are forest and climate protection (REDD+), reconstruction of forest landscapes, and the promotion of supply chains free of deforestation. The internationally-agreed, ambitious global and regional forest-protection goals can be reached solely by setting up new, innovative partnership and concepts across business-sector boundaries.

### **3. International forest protection, forest development and forest restoration - -the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)**

The enduring decline in biological diversity, the degradation of soils and forests, and climate change: these are signs pointing to dramatic, global-scale environment changes. In view of these factors' close interconnectedness, as the BMU's overall policy, it is striving – as is the Federal Government - to make greater use of synergies between the Rio Conventions, especially the UNCBD and the UNFCCC, in addition to other important multi-lateral environmental agreements. Additional to successful international initiatives like e.g. the Bonn Challenge, the Federal Government advocates in this context, to further develop the Strategic Plan of the Convention on Biological Diversity and its Aichi Targets for the time after 2020.

## GERMANY'S CONTRIBUTION TOWARDS ACHIEVING THE GLOBAL FOREST GOALS AND TARGETS OF THE UNSPF

**Global Forest Goal 1: Reverse the loss of forest cover worldwide through sustainable forest management, including protection, restoration, afforestation and reforestation, and increase efforts to prevent forest degradation and contribute to the global effort of addressing climate change.**

In Germany the forest is managed sustainably. It is in a good condition and fulfils a whole range of usage, protection, and recreational functions in rural areas and conurbations. Germany's forest area has been stable for decades now, meaning that deforestation and afforestation are at the same level.

The Federal Government and *Länder* are investing major efforts to gather-in, analyse and process data on forests. Substantial data-gathering and data-analysis organisational units used at Federal level are: the Federal Forest Inventory (BWI)<sup>1</sup>; the Survey on the Condition of Forest Soils (the BZE); the forest-based environmental monitoring; the BMEL test-operations network for forestry; also, the forestry institutes at the Federal Research Institute for Rural Areas, Forestry and Fisheries - are institutions substantially involved in producing and evaluating these inputs.

As shown by the results of the third Federal Forest Inventory, the conversion of forest stands in the past 30 years shows changes in enhanced structural diversity and naturalness. The percentage of old trees increased, about 25% are older than 100 years. Young stands cover 25% of the forest area. Natural rejuvenation happens on 85% of the forest area. The number of habitat trees and deadwood components increased. The percentage of conifers dropped and the percentage of deciduous trees increased. Mixed stands cover about 78% of the forest area, and two- and multiple-storied forest stands cover 68% of the forest area.

Beyond this, information about the state of forests, and also on the forestry and wood-management sector in Germany, is also needed for other realms of politics (e.g. nature-protection, climate protection, energy), as well as for international reporting. An example is the sub-indicator 'Forest' of the 'Diversity of Species and Landscape Quality' indicator, used in the National Strategy on Biological Diversity (see also GFG3).

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<sup>1</sup> Federal Ministry of Food and Agriculture (BMEL) (2014): The Forest in Germany – Selected Results of the Third Federal Forest Inventory (in German). BMEL, 52 pp.

## **Exchange of knowledge and experience on promoting sustainable, multifunctional forest management**

In many countries, the forest contributes indispensably to rural development, to protection of nature's resources, to the supply of raw materials, to preventive care in safeguarding food security, to securing incomes, and much more. To maintain these usage, protection and recreation functions, practical knowledge must be applied in putting modern, sustainable, multi-functional forest management into effect; this includes using the appropriate techniques and technologies, as well as sufficiently integrating the local population into these efforts.

With its many years of experience, Germany crucially contributes to the sustainable management of forests, by building up knowledge in partner countries. Alongside the promotion of bilateral forestry projects with selected countries, it is therefore the explicit goal to train forestry professionals in third countries, and to make possible an exchange of insight and experience with German forestry experts. This entails specific offers in response to the widespread demand for German forestry know-how, highly regarded worldwide. These offers can be successfully converted into reality solely through support from Germany's entire forestry sector. Accordingly, since 2016, within the framework of the German Forest Expert Programme, interested professionals from third countries in all continents are enabled to participate at a visit, organized individually, with German forestry enterprises at state, municipal and private-business level, with public forestry-administration authorities, with forestry associations, or also with research institutions.

## **Actions against deforestation through German development cooperation**

REDD+ is a foundational pillar, supporting German development cooperation in the forestry sector, aimed at combating destruction of forests and at reaching Global Forest Goal Number 1. Through the budget of the BMZ, the German Federal Government allocates funds for results-based financing countries that can prove that they have avoided deforestation. This takes place via bilateral and multilateral funding programmes. The "REDD Early Movers Programme" (REM) gives funding to those at the vanguard of conserving forests for climate-protection; the initiative also tests out result-based REDD+ financing. This programme remunerates demonstrable emission reductions and offers technical support for activity modules still absent from the REDD+ system. Up to now, a total of EUR 109.5 million (BMZ) and EUR 9 million (BMU), complemented by co-financing from NOR and UK, was made available for the programme, and EUR 103 million has been spent for emissions reductions in Brazil, Colombia and Ecuador. On a multilateral basis, Germany is financing activities to protect

forests in the World Bank's Forest Conservation Partnership Facility (FCPF); help from this source supports countries as they coherently introduce REDD+ and implement it. The German Federal Government is the FCPF's co-initiator; up to the end of 2017, it committed itself to providing EUR 360.4 million for this purpose (EUR 350.4 m. of this from the BMZ). This means that the Federal Government finances approx. 25 per cent of the FCPF's whole budget. Within the REDD+ programme framework, the Federal Government is also promoting innovative approaches to financing. The Amazon Forest Protection Project, founded in 2008 as the world's first national REDD+ mechanism, enabled the high level of deforestation in the Amazon region to be successfully reduced. In 2015 the BMZ gave a commitment of EUR 100 m. to that fund, covering the period up to 2020, for proven reduction in emissions. The Federal Government is striving to further strengthen results-based financing for REDD+.

The cooperation between the German Government, Norway and the United Kingdom – the so-called GNU-Initiative - is of decisive importance. The initiative aims to reach the goals of the New York Forest Declaration faster and more efficient through better coordination. Up to 2016, GNU provided funds for 20 new REDD+ emissions reductions programs and supported structural preparations in more than 50 countries. In the GNU-statement of 2015, GNU committed itself to make available USD 5 billion between 2015 and 2020 for REDD+ and results-based forest activities for climate protection. This commitment is realized by using existing programs and initiatives, including the REDD Early Movers Program, the Forest Carbon Partnership Facility (FCPF) and the Green Climate Fund.

A supporting instrument used in implementing and promoting sustainable forest management is standards-related initiatives; these issue a credible, internationally-acknowledged sustainability certificate, in establishing minimum-requirement norms for economic, environmental and social-policy factors. Cooperation projects between the BMZ, the 'Forest Stewardship Council' (FSC), and the 'Programme for the Endorsement of Forest Certification Schemes' (PEFC) have two aims; to achieve sustainable forest management and to increase sustainably-produced wood products' share of the total, primarily from the tropical-forest countries. In recent years, certified forest areas' share of the total has substantially increased, due to the Federal Government's support and to other factors.

Cooperating with partner governments, the business community, and civil society, the BMZ promotes the build-up of traceable, deforestation-free supply chains; such initiatives harmonise forest protection and sustainable production of agricultural raw materials (mainly palm oil, soya, cocoa and rubber). This BMZ initiative links up approaches that

span across different business sectors, at the landscape level, with private-business commitment and supply-chain management. For instance, in Indonesia and the Ivory Coast, funding goes to integrated land-use planning and sustainable resource-management plans for agriculture and forestry; support also goes to the intensification of agricultural activity, while simultaneously increasing the stock of trees and forests. The goal is that, with suitable monitoring and marketing, deforestation-free products and regions achieve a market advantage in comparison with non-sustainable products and regions (see contributions stated under Global Forest Goal 6).

### **Restoration of forests**

In 2011, the 'Bonn Challenge' was initiated by the German Government together with IUCN and GPFLR with the view to establish an internationally acknowledged global campaign platform, for restoring forests at the landscape level (Forest Landscape Restoration); its aim is to restore up to 150 m. hectares of forests worldwide by the year 2020. In September 2014, within the framework of the UN Climate Change Summit in New York, the New York Forest Declaration on Forests expanded the Bonn Challenge goal, to cover a further 200 m. hectares by 2030, thus raising the total to 350 m. hectares by that date. The German Government has been giving intensive support to the 'Bonn Challenge' efforts since its launch. A focal point in this is the regional initiatives for Africa (AFR 100), Latin America (Initiative 20x20), and Central Asia and the Caucasus. The March 2019 status is that commitments and implementation activities already introduced amount to more than 170 million hectares of restored forest landscape worldwide; of this, 113 million hectares is in Africa alone.

Restoration of forests and productive forest landscapes again is also an important activity area for German international cooperation aimed at reaching the SDG15 and also Global Forest Goal 1. In recent years the activities concentrate on the following: rehabilitating degraded natural forests (in Colombia and Vietnam); setting-up eco-corridors (Colombia, Brazil); setting-up agroforestry systems (Guatemala); and protection of watersheds (Tajikistan). In 2015, the "African Forest Landscape Restoration Initiative (AFR100)" was launched as a regional initiative for the global 'Bonn Challenge' through the budget of the BMZ. The AFR100 partnership's goal is to restore as much as 100 m. hectares of forest and productive, climate-resistant landscape, rich in trees, on what is now deforested or respectively degraded (former) forest areas. The German Government supports the African Union Development Agency (AUDA) to manage the AFR100, and to implement the forest restoration goals by African partner countries. To date, 28 African states have joined the AFR100 initiative or have announced their entry; they do so with

the aim of restoring approx. 113 m. hectares of forest landscape. This is an important step towards reaching the ambitious goals in the Bonn Challenge process and the New York Declaration on Forests; these aim to build-up 150 m. hectares of forest areas worldwide by 2020, raising this to 350 m. hectares by 2030. In view of wood's significance as the region's most important energy source, the afforestation of energy-wood forests also plays a major role. In all, from 2009 to 2015, German financial cooperation launched investment projects that support the reforestation of 55,854 hectares of energy-wood forests. In Asia's great river-delta regions, the BMZ supports the re-establishment and sustainable management of mangrove forests – these are particular significant for coastal protection in the climate-change context.

### **REDD+ and the BioCarbonFund**

The Federal Ministry for the Environment (BMU) promotes innovative approaches and results-based financing for maintaining forests and restoring them. Accordingly, it provides EUR 35 m. of support to the Biocarbon Fund. This fund takes the landscape level as its point of approach, recording and reimbursing the reduction attained because of deforestation being avoided, and also through low-emission agricultural use. In placing the focus of efforts on agriculture, as deforestation's main driver, the BioCarbon Fund takes the private sector's role into account, in particular; it integrates into its operations companies that have committed themselves to excluding deforestation from their supply chains.

### **Global Forest Goal 2: Enhance forest-based economic, social and environmental benefits, including by improving the livelihoods of forest dependent people.**

Forests fulfil a variety of functions for our society; they are far more than just suppliers of timber and an important part of the landscape in Germany. Forests and forestry are the focus of diverse and sometimes conflicting demands from society. The statutory mission of German forest policy is to achieve a balance between the interests of the general public and the concerns of forest owners. Forestry in Germany is sustainable and multifunctional and, for approximately three decades, has increasingly worked according to the principles of close-to-nature forest management.

- **Forest ownership** in Germany is diverse: 48 % are privately owned, 29 % are state forests of the Länder, 19 % are communal forests, and only 4 % are Federal forests. Approximately 430,000 forest owners have organized themselves into

about 3,600 forestry associations to better deal with the specific disadvantages of the fragmented property structures.

- **Climate-change mitigation:** Forests and forestry in Germany contribute effectively and at the same time inexpensively, to the CO<sub>2</sub> sink and carbon reservoirs. Currently, about 2.5 billion tonnes of carbon are fixed in German forest trees and forest soils. Through the growth of the trees, an additional 58 million tonnes of CO<sub>2</sub> has been absorbed annually. Timber products extend the binding of the carbon absorbed by the trees, and provide the opportunity to replace energy-intensive resources (material substitution effect), and to a limited extent fossil fuels (energetic substitution effect). Material recycling and multiple uses before final energetic use (cascading) can optimise the overall effect.
- **Water:** Forests are natural air-conditioning systems and air filters. They have a balancing effect on the climate and play a special role in global and local water cycles. The forest soil stores and cleans run-off rainwater better than practically any other ecosystem.
- **Income:** The forestry and timber sector in Germany has provided income for around 2 million forest owners and around 1.1 million employees in some 125,000 companies, concentrated in rural areas. Timber from sustainable forestry is a raw material with an excellent ecological balance. In 2012, the net business profits exceeded EUR 1 billion per year. The national cluster of forestry and timber, including trade, printing and publishing, generated sales of EUR 178 billion and a gross added value of EUR 55 billion in 2014.
- **Biological diversity and forest nature conservation:** Forests in Germany are predominantly productive forests that are managed sustainably and perform multiple functions. As part of the cultivated landscape, they look back on a long and varied history of being put to various different uses. At the same time, however, human impact is significantly lower, compared with other land-uses. Sustainable forestry measures – in combination with set-aside areas left to natural development – lead to a dynamic mosaic of diverse habitats, interconnectivity and special habitats and refuges for endangered and rare animal species, with numerous and highly variable structural elements.
- **Leisure, recreation and health:** Visiting forests increases well-being and health. In Germany, access to forests for recreation is generally free. More than 55 million people, or 70 percent of the population, take advantage of this opportunity at least once a year, usually in forests close to where they live.

Germany and the European Commission jointly initiated the international initiative 'The Economics of Ecosystems and Biodiversity (TEEB)'; it promotes the development of new strategies and practical approaches focusing on mainstreaming the values of biodiversity and ecosystem services into decision-making. A focal point in this is the guidance on how to internalize biodiversity and ecosystem values in policy decisions, capacity-building and following the TEEB-processes on national and international level.

### **Promoting the socio-economic services of forests in development cooperation**

A diverse range of measures forms part of forest-related programmes supported by Germany, directed at improvement of ecosystem services; these benefit rural populations, in particular. Thus, promoting the socio-economic services of forests and the implementation of the Global Forest Goal 2 form part of nearly all forest development programmes of the German Development cooperation.

A focal point in this is fair participation, by the local population and marginalised groups, in the forests' improved ecosystem services. Equitable participation applies especially in making use of biological diversity and its genetic resources. The Federal Government commits itself to acknowledging and promoting local and indigenous communities' interests and rights, and to regulated access to genetic resources. Developing countries rich in biodiversity should obtain a well-balanced, fair share (of the value) when their regions' genetic resources are used. Via the 'ABS Capacity Development Initiative,' German development cooperation is primarily backing the African group of states as they negotiate and implement the 'Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilisation (ABS),' by hitherto contributing approx. EUR 9.5 m. from the BMZ budget. Further resources for ABS have been allocated in the context of country-specific development cooperation. This aid enabled technical guidelines to be drawn up on coordinated implementation of the Nagoya Protocol; in addition, a protocol was able to be produced, documenting traditional knowledge and traditional practical rights. At present the BMZ is supporting activities in 11 African partner countries, within the framework of a global programme, as well as seven states and four regional organisations in bilateral projects.

In the states afflicted by land degradation and desertification, local populations are particularly threatened by poverty and by increasing pressure to migrate. Here, among other initiatives, German cooperation on development is supporting reforestation (Tajikistan), sustainable land management (Peru), national action plans (Haiti,

Honduras), agricultural development (*inter alia*, Burkina Faso and Mali,) and local development plans. The measures are aimed at maintaining the natural foundations of the local population's life, and also at improving the living situation of people affected by desertification.

The support provided in Madagascar relates to sustainable management of forests, placing special emphasis on raising the incomes of the poor, rural population, especially those of women; it also strives to improve the value-chain for wood-based energy. In Vietnam the build-up of a suitable policy and regulatory framework, as well as of institutional capacities for sustainable forest management, is linked up with value chains in industry and trade. By building up a training centre, providing advice to wood-processing enterprises, and collaborating with wood-industry trade associations, the preconditions were put into place for upgrading local forest products.

In similar vein, Germany is committing its efforts to ensure implementation of the social and environmental safeguards negotiated for the REDD+ framework stated in the REDD+ programmes supported by German development cooperation. Additionally, at least 50 per cent of the payments from the 'REDD Early Mover Programme' (REM) for proven emission reductions benefit the forest-users, with this also including many indigenous population groups.

### **Global Forest Goal 3: Increase significantly the area of protected forests worldwide and other areas of sustainably managed forests, as well as the proportion of forest products from sustainably managed forests**

The biological diversity is important for forestry, as it is the basis of stability and adaptability of forests. Simultaneously, the forests in Germany, especially when being managed in close-to-nature, are important for the protection of biological diversity. Biological diversity in the German forests is maintained through the best-possible linking-up of protected areas and integrated nature protection, within the framework of sustainable forest management. .

The aim in this is to preserve a diversity typical for the given habitat or ecosystem respectively. The conservation of close-to-nature, species-poor forests that are characterized by protected species and mostly nutrient-poor sites forms part of this aim. This goal is as well attained in our forests as in scarcely any other part of Germany's landscape. As part of the National Biodiversity Strategy 'Diversity of Species and Landscape Quality,' the sub-indicator for this reveals the highest goal-attainment value of them all, at 87 per cent. This emerges from the forest-building initiative by the forest-

owners, from the implementation of close-to-nature forest-management concepts, from the measures to retain the forest's genetic resources, and also from the financial-support policies of the Federal Government and *Länder* governments. Numerous activities and measures, which were begun more than three centuries ago, have contributed to this. Since then, the forests' ecological condition has developed positively in many aspects. This is a laborious process. The large-scale implementation of the concept of close-to-nature forest management is a key element in this. The Red List of Threatened Habitat Types in Germany shows that many forest habitats are considered 'stable'. However, the German Red Lists still show threatened animal, fungi and plant species that require old forest-stands, undisturbed forests, and old forest stand and deadwood components.

In Germany, all forests are protected by the Federal Forest Act and the *Länder*-level forest-related laws. In addition, a large proportion of the forests enjoys an additional protection status, according to the Federal Nature Protection Act, because of forests' special significance within the balanced system of nature. There are the following categories of protected areas: forest in nature reserves, national parks with forest, forest in biosphere reserves, forest in landscape reserves, forest in nature parks, and protected forest biotopes. Furthermore, the National Biodiversity Strategy holds the goals to secure natural development of forests on 5% of Germany's forest area, 10% of public forest area respectively, and 2% of Germany's land area for wilderness.

The proportion of all forest areas accounted for by those certified according to high-calibre ecological standards (PEFC, FSC) is to continue rising, to the year 2020. Of 11.4 m. hectares in Germany, around 7.5 m. hectares (approx. 68 per cent of the forest area) are certified according to PEFC criteria, in addition, around 1.1 m. hectares (approx. 9 per cent of the forest area) are certified according to FSC criteria, whereas there is an overlap between the areas of the two certifications.

### **Sustainable development of protected areas in development cooperation**

The key element for protection of biodiversity and implementing the Global Forest Goal 3 is the designation and sustainable development of protected areas. At present, on behalf of the Federal Government, Germany's development bank, the KfW, is supporting 374 nature-conservation areas in 35 countries worldwide, with a total area of more than 940,000 km<sup>2</sup>. The Financial and Technical Cooperation activities, serving as part of German development cooperation, include the following: investments in infrastructure, equipment, training, participative development, both of management plans and of buffer-zone management; fostering income-generating measures; consultation on

administrative structures; and also the fostering of cross-border cooperation. Habitats that need protection are indifferent to national borders. In total, 17 cross-border protection areas are given support, in more than 40 countries. In the Congo basin alone, 10 new cross-border protection areas were set up with German support, accounting for an area of 18 m. hectares of forest. In south-east Asia, German support is concentrated on fostering internationally-uniform management standards; it also encompasses local and indigenous groups' fair participation in a total of 15 national parks. In Latin America, Germany's development cooperation, in building-up and managing protected areas, primarily renders support to clarifying the situation and rights of indigenous territories. Alongside assistance to national parks, the Federal Ministry for Economic Cooperation and Development (BMZ) also provides financial backing of over EUR 110 m., both to 30 biosphere reserves - a combination of protected areas and cultural landscape (most of them in Latin America and the Caribbean,) - and also to more than 20 natural World Heritage sites.

Sufficient and lasting financial support is needed to secure protected areas long-term. In many cases, this requires a combination of various national and international sources of finance, with environmental funds taking on particular significance. In Madagascar, Germany's development bank, KfW, supplied EUR 15.2 m. for establishing a 'foundation to maintain Madagascar's protected areas and their biodiversity;' it also provides advice to the 'Madagascar National Parks' (MNP) organisation. In the Congo basin, thanks to the KfW's support, a fund was set up for the cross-border protected area called 'Tri-National de la Sangha;' for the long term, this secures the financing of management of the protected area. Using a similar model, Germany's Financial Cooperation currently renders a total of EUR 173 m. of support to 14 partners for nature-protection-based foundations; these secure 136 nature-conservation areas worldwide. The largest conservation area to get funding from German development cooperation is located in Latin America (Brazil, Ecuador, Peru).

### **Cross-border and international transfer of knowledge for nature conservation in practice within the European network INTEGRATE**

In 2017 Germany and the Czech Republic initiated the European network INTEGRATE. It promotes and advances forest-management approaches for the integration of nature conservation into sustainable forest management. The INTEGRATE network fosters knowledge transfer across borders and aims for capacity building in the field of integrated forest management. Participants are able to exchange best-practice and success stories, and collaborate for sustainable forest management. The network

establishes demonstration sites, supported by modern software, which are well suited for professional training, and promotes dialogue with professions other than forestry. The overall objective of INTEGRATE is to identify successful forest-management concepts across borders, based on empirical field experience and on science and to transform them into recommendations targeted at forest practitioners.

#### **Global Forest Goal 4: Mobilize significantly increased, new and additional financial resources from all sources for the implementation of sustainable forest management and strengthen scientific and technical cooperation and partnerships**

In Germany, the assignment to promote sustainable forestry forms part of the Federal Forest Act; jointly with the 'Forests as an Area to be Promoted,' in the Joint Task for the 'Improvement of Agricultural Structures and Coastal Protection,' (GAK) it is an essential element of the National Strategy for Development of Rural Areas.

This financial support aims to contribute to securing the forests' use, protection and recreational functions respectively, and to improving the conditions for producing, working, and running a forest-sector business. Between 2016 and 2018, the following four groups of measures obtained funding:

- **Close-To-Nature Forest Management:** forest conversion, tending of young stands, and soil-protection liming
- **Forestry-business infrastructure:** construction, reinforcement and basic repair of forest roads as well as the setting-up of wood-preservation facilities.
- **Forestry-business alliances:** self-help initiatives in the areas of forest care, member information, marketing of wood, and also professionalization of management.
- **Initial afforestation:** forest establishment, including establishment of planted forests (seeding, planting, preparing, conducting data-surveys, securing the plantation), plus follow-up improvements.

Since 2019, forestry measures are enhanced by contractual conservation management agreements and managing impacts of extreme weather events.

Furthermore, the Forest Climate Fund (WKF) was developed in 2013. The WKF funds measures of significant government's interest that serve the adaptation of German forests to climate change and the crucial contribution of forests, which are close-to-nature, rich in structure and species, to maintain natural resources in the long term.

Furthermore, it envisages the positive effects of accessing the potentials of forests and timber for CO<sub>2</sub>-mitigation and energy should be enhanced.

Additionally to the GAK (see above), the *Länder* also have put into place further, supplementary financial-support programmes, in part with exclusively *Land*-based financing and in part with EU-co-financing.

## **BMEL funding instruments for sustainable forestry management**

### ***Financial Support Directive "International Sustainable Forest Management"***

So as to react on the international request for German forestry-related know-how, the Federal Ministry of Food and Agriculture (BMEL) provides funding to bilateral research cooperation and also to knowledge exchange between German and foreign forestry experts. In 2016, the Financial Support Directive "International Sustainable Forest Management" was founded and comprises EUR 2 million per year.

Specifically, the measures are intended to pursue the following thematic goals:

- Improving the basis of data that serves as the foundation for multifunctional, sustainable forest management;
- Researching into approaches to solutions for multifunctional, sustainable forestry management, taking into account demands relating to production, protection, income and social-policy issues;
- Researching approaches to solutions for adapting the forests to climate-change;
- Researching approaches to solutions for resource-efficient use of the forest;
- Researching the foundations for ecologically and economically viable management of the natural forest, and for ecological upgrading of plantation forests;
- Researching the economic framework for promoting sustainable forest management, also for forest owners independent of the state;
- Studying the ramifications of policies relevant to forests and
- Knowledge exchange and training activities on forest-related matters.

### ***Implementation projects in partner countries***

Using its bilateral cooperation programme BMEL can render support to selected partner

countries, as the latter develop towards sustainable forest management. At present, funding goes to around 25 projects in Asia, Africa, Latin America and Europe, with a total annual financial outlay of EUR 4.5 m. For activities under this heading, financing goes to all projects executed with and in partner countries, including international forestry events and research-cooperation activities.

The projects' goal is to foster sustainable and multi-functional forest management. In this way, the focus is on support for a balanced forestry policy that involves people, providing support both to private user-structures, and to income and food supply from the forest. In this way, it can attain broad-based, lasting acceptance and stability. In this context, projects aimed at fighting illegal logging are an important step towards sustainability. In terms of funding, an especially favourable response is given to creating prerequisites for natural forest management in the tropics, and approaches to it; it is also given to the ecological upgrading of plantation forests in small private forests, or to agroforestry management methods that reduce pressure on the natural forests. On all projects, the following are points of focus: exchanges of knowledge and insights between experts; training courses to enhance multiplier effects, or use of demonstration areas. These factors contribute to knowledge transfer and to the build-up of forest-sector capacity, both within and beyond partner countries. The programme and its projects are important building blocks in Germany's international cooperation in the field of forestry. Where possible and purposeful, in some partner countries the projects also aim at synergies with BMEL's bilateral-cooperation programme in the food and agricultural sectors.

#### *Cooperation with international organisations to promote sustainable forest management*

Linked up with Germany's commitment in international forest policy, BMEL is funding pilot projects and demonstration projects with international organisations. This pursues the goal of advancing in practice approaches to sustainable forest management. At present financial support amounts to around EUR 3.5 m each year. Typically the projects are carried out, in a geographically well-spread range of selected pilot countries, and involve non-state stakeholders and the scientific community. When all progresses favourably, they also add to, and support, the formal international negotiation processes in which Germany is intensively involved. Project implementation partners are international organisations such as the Food and Agriculture Organisation (FAO), the ITTO, INTERPOL, or the European Forest Institute (EFI).

## **BMZ-Financing-tools used in development cooperation**

In 39 partner countries, German development cooperation gives support to the global forest-development goals stated in the United Nations' Strategic Plan for Forests (UNSPF); this is done through bilateral cooperation and, in a whole range of other countries, by partnership on all the important multilateral programmes. The whole ongoing bilateral portfolio of development-cooperation initiatives run by the Federal Ministry for Economic Cooperation and Development (BMZ) accounts for an active range of orders amounting to EUR 1,531.2 m. (2015: EUR 1,521.9 m.; 2016: 1,500.3 m.) With 31.12.2017 as cut-off date, German development cooperation implemented a total of 222 projects (2015: 225; 2016: 229); wholly or partly, these serve the aim of protecting forests or of using them sustainably. Among others, these include the following: sustainable natural-forest management, improvement of the structural and legislative framework for forest protection and sustainable forest management; strengthening of capacities of forest-administration authorities, and of other relevant stakeholders; this is in addition to cooperation initiatives with the private sector, aimed at legal, sustainable and deforestation-free production of raw materials. Among the projects now in progress, 56 of them, accounting for a total order value of EUR 419.6 m. (2016: EUR 325.2 m.), are mainly aimed at sustainable or municipal-based forest management.

In Latin America, German development cooperation is intensively involved in combating forest destruction and degradation, primarily in the following cooperation countries: Brazil, Ecuador, Guatemala, Honduras, Colombia, Mexico and Peru; as well as at ACTO, the Amazon Cooperation Treaty Organization. Brazil remains by far the most important recipient country for BMZ forest financing. Costa Rica, El Salvador, Nicaragua and the Caribbean get support via regional or topic-specific programmes. Projects and measures concentrate on protection and sustainable use of the forests, and also on combating those who pursue deforestation, in the context of REDD+ programmes. In Asia, the support provided by German development cooperation, directed at combating forest destruction, primarily focuses on improving the legal and social framework, on more efficient management of protected areas, and on promoting sustainability standards. Over the last three years, Sub-Saharan Africa has accounted for an increasing share of the forest-project portfolio: this rose from 33.8% in 2015, via 34.9% in 2016, to 36.9% in 2017. The main recipients of bilateral support are the COMIFAC (EUR 108.2 m.), Cameroon (EUR 84.5 m.), and the DR Congo (EUR 59.0 m.). Alongside protection and sustainable use of existing forests' ecosystem-related services, the BMZ's support in Sub-Saharan Africa is focussed on restoring degraded forest landscapes.

## **The International Climate Initiative (IKI) as BMU's funding-tool for protection of the climate and of biodiversity**

In numerous partner countries, the International Climate Initiative (IKI) renders support to the practical implementation of climate protection and biodiversity protection. An important role in this is played by synergies between forest protection and the conservation and sustainable use of biological diversity, and also between decreased emissions and adaptation to climate-change's consequences. For instance, experience gained in the IKI projects also flows into international initiatives, such as the World Bank's Forest Carbon Partnership Facility (FCPF), co-financed by Germany. The IKI takes up the latest developments and resolutions that the UN Conventions endorse, then puts them into practice. It is a provider of impetus, promoting innovative measures. Up to now, around 700 projects relevant to the climate and to biodiversity, with a funding volume totalling EUR 3.3 billion, have been able to be launched. The IKI's work concentrates on four areas of funding: (I) climate protection, by reducing greenhouse-gas emissions, (II) adapting to the impact of climate change; (III) conserving natural carbon sinks/REDD+, and (IV) conserving biological diversity.

From 2008-2017, funding-area III of the IKI ('Conserving natural carbon sinks/REDD+') provided project funding amounting to EUR 378 m. Only one example, among more than 140 IKI projects from this activity area that substantially support attainment of GFG 4, is the recently concluded project 'Business models for reducing drivers of deforestation.' This project supported national and regional REDD+ implementation efforts, by exploring and testing business models and accompanying institutional mechanisms for tackling the drivers of deforestation in a collaborative effort; this was done in partnership with governments, civil society, and the private sector. The project conducted a scoping study in four countries; this analyzed drivers, stakeholders, underlying incentives and preassessed promising business models, where performance-based REDD+ payments successfully reduce deforestation. Subsequently, two countries were selected to develop business models, outline the institutional mechanisms, specify MRV systems, and support legal implementation agreements between local stakeholders and, for instance, REDD Early Movers (REM) or Carbon Fund of the Forest Carbon Partnership Facility (FCPF). The project was successfully completed by the end of 2018; this involved elaboration of investment and business models, the improvement of the operative capacity of project partners, the signing of MoUs with partner enterprises for the implementation of business models, and the successful development and implementation of training activities, and public-relations-related work.

## **Global Forest Goal 5: Promote governance frameworks to implement sustainable forest management, including through the UN Forest Instrument, and enhance the contribution of forests to the 2030 Agenda**

### **Good governance as a point of approach for development cooperation**

The basis for implementing the Global Forest Goals and the sustainability goals of Agenda 2030 successfully is good governance, by legal and institutional framework conditions (among other factors), at sub-national level, that are adapted to the goals. Thus the German Federal Government promotes implementation of Global Forest Goal 5, through cooperation development in the following areas: forest-related, fiscal-related, and land-law-related reforms; the building-up of transparent monitoring systems; building-up competence through knowledge transfer; as well as equitable, conflict-free participation on the part of all user-groups involved in the forest sector. At present, the Federal Government is supporting comprehensive reform processes in Indonesia, Vietnam, Laos, Cameroon, Peru, inter alia, and in a range of regional organisations, such as OTCA and COMIFAC.

Informed decision-making processes in the formulation of strategies on sustainability and the combating of poverty require ecosystem services to be coherently taken into account. The international initiative, 'The Economics of Ecosystems and Biodiversity (TEEB),' brought into being by Germany and the European Commission, promotes the development of new strategies and practice-oriented approaches, directed at integrating the value of biodiversity and of ecosystem services into political decision-making. In particular, this includes consultation on integrating ecosystem services into development planning; building-up capacities; and providing accompaniment to TEEB processes at national and sub-national level.

A key building-block in the national governance system of many tropical-forest countries is measures aimed at combating illegal logging. Among other things, this includes adapted legal norms and their efficient implementation, as well as robust and transparent monitoring systems. Jointly with the European Commission, Germany's development cooperation provides support to measures in the negotiation and implementation process of 'Voluntary Partnership Agreements (VPA).' Financial support goes to the involvement of all important national and local players, the participative development of a national legality framework, and also the build-up of independent monitoring structures, e.g. in Laos, Vietnam, Cameroon, the Ivory Coast, and Honduras. Also outside the scope of VPA negotiations, national dialogues were initiated on good governance; these entail cooperation between various ministries, the private sector, and civil society, for instance

in Laos. In Indonesia, the build-up of competent organisational units for forest administration, as well as certification and improved integration and involvement on the part of local municipalities, serve as keys to systematic forest protection and to sustainable forest-use. Stronger participation from local populations, including indigenous populations, is also intended to help long-term in overcoming existing land-use conflicts and to find suitable mechanisms for prevention and mediation. In Vietnam there is at present not enough capacity, in administration, training, science and research, to deal with the challenges of the growing forest sector, while maintaining the natural forest resources' ecological, social and scientific functions. Against this backdrop, Germany's development cooperation supports the build-up of a suitable political and regulatory framework, and build-up of the institutional capacities for sustainable forest management.

**Global Forest Goal 6: Enhance cooperation, coordination, coherence and synergies on forest-related issues at all levels, including within the UN System and across Collaborative Partnership on Forests member organizations, as well as across sectors and relevant stakeholders**

Forests offer a vast potential for humankind. They have many talents, giving us solutions – directly or indirectly – for implementing, inter alia, the Paris Agreement, and all sustainability goals of Agenda 2030. In this regard, it is essential to secure the maintenance, restoration and sustainable management of forests in a coordinated way, in order to safeguard the global forests' rich variety of functions for humankind and nature, on an enduring basis.

In the framework of evaluating the UN Forum on Forests comprehensively and critically in 2015, Germany had backed the UNFF's continuation and reinforcement. To improve the assessment and results-orientation of the UNFF's resolutions, the institutional institutions relevant to forests and collaborating in the Collaborative Partnership on Forests (CPF), take on a particular responsibility.

Germany commits itself to strengthen the CPF and in particular CPF activities that promote coherence. On the one hand, the CPF is to assume a greater role in the funding of initiatives by donors, in future. Pursuing this goal, Germany set up two meetings of the CPF members and potential donor-countries in 2018; there, it initiated a special dialogue on financing the Joint Work Program, drawn up by the CPF. The Federal Government made new financial commitments amounting to EUR 5 m. in 2019; they are aimed at supporting CPF activities in the realms of the Global Forest Finance Facilitation Network (GFFFN), global forest education, and global green supply chains. On the other hand,

Germany decided to support FAO in its role as CPF lead agency through a Junior Professional secondment from October 2019 on.

The consumption of unsustainably-produced agricultural products leads to significant pressure on forests and jeopardizes forests' potential. To protect forests successfully internationally, agricultural basic products must be produced sustainably. Demand, especially for palm oil, soya and cocoa, ranks as an important driving factor, alongside the producing countries and regions' domestic consumption. This is why more and more companies are getting involved in forest protection, by entering into obligations to purchase solely 'deforestation-free,' certified agricultural basic products. So an important approach to forest protection is collaboration between governments, companies and NGOs, especially consumer organisations.

The Federal Government promotes such private-business initiatives at national level. Successful approaches are coming from the Forum for Sustainable Palm Oil (FONAP) forum on sustainable palm oil and the German Initiative on Sustainable Cocoa (GISCO/FNK) forum on sustainable cocoa. Similar measures are also being discussed for soya in the National Protein Forum. The goal is that qualified demand will provide greater incentives to the producing countries' agricultural sector to take care of the forests and thereby to promote a more sustainable use of these areas, conserving the forests. To make it possible to act in a coherent way, these measures must be built into political objectives at international and EU level. To this end, Germany has been committed to the Amsterdam Declarations Partnership since 2015. In 2017, under German chairmanship, a 10-point plan was adopted.

To support coherent activities across national borders, the Federal Government is promoting regional cooperation and knowledge transfer in a range of regional organisations, emphasising protection of resources and of the environment. In Africa, support-funding goes to the Southern African Development Community (SADC) and the Central African Forest Commission (COMIFAC). Funding of the secretariat of COMIFAC accounts for the second-highest project budget for forest protection in 2017, at EUR 108.2 m. This German commitment's overarching goal is to provide support, both to the political dialogue and to the harmonisation of forest and environmental policies among the COMIFAC member states, so as to implement a joint convergence plan. The Federal Government also intends to support the 'Central African Forest Initiative' (CAFI); this initiative takes on the role as platform for improved coordination among donors; its goal is to use cross-sector measures and concepts to eliminate deforestation's structural causes. In Latin America, German development cooperation supports the Amazon Cooperation Treaty Organization (ACTO), as it cooperates and coordinates international

policies for sustainable development in the world's largest integral rain-forest area. In Asia, German development cooperation supports the ASEA member states' cooperation, directed at protecting biodiversity in the region. At present the support is focused on institutional strengthening of the biodiversity sector, and on development and support of the ASEAN initiative that is striving to develop the ASEAN Cultural Heritage parks.

To support global coherent activities for accelerating protection, development and restoration of resilient, multi-functional, equitable and productive landscapes, the Federal Government is funding the 'Global Landscapes Forum' (GLF) with a total of EUR 11 million. With funding the GLF as an independent, science-based, cross-sectorial platform it is envisaged to create a global community of practice and exchange on best practices on the landscape level. Through the landscape approach while carefully-calibrating the balance of competing demands of social, ecological, economic and political interests, the GLF supports the development of coherent pathways for sustainable development.