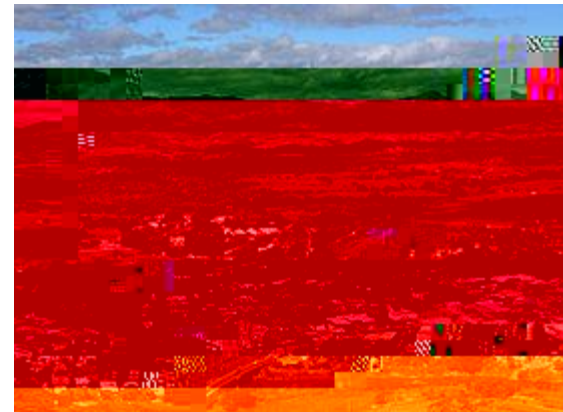


United Nations Forum on Forests

Second Facilitative Process Workshop on Forest Financing in Small Island Developing States 24 – 27 July 2012



The objectives of the workshop

To validate the findings of the preliminary studies which were to identify gaps, obstacles and opportunities in financing Sustainable Forest Management (SFM) in Small Island Developing States (SIDS)

to initiate a network of forest financing stakeholders in SIDS and at the international level.

Structure of Workshop

Day 1 - Field to the Fiji Water Plant in northern Viti Levu

‡ Day 2

1. Opening Ceremony which included welcome addresses from the Minister of Primary Industries, UNFF, UNCCD and ESCAP
2. Election of Co-Chairs
3. Presentations/Reports

Presentations/Reports

Day 3

Brief Summary of Day 2

GIZ and GTZ

Forest Financing through GEF

Regional Organization and Processes – ESCAP, Secretariat for the Pacific Community and USP

Trinidad and Tobago Green Fund

The future We Want: A Pacific/SIDS Focus and Opportunities for Forests

Regional approach to financing SFM in the Pacific

Holistic Approach to Forest Financing

Participants were split into working groups for introductions and work in relation to forest financing

The case of Fiji: Presentation of forest financing from a national perspective

- Forest Financing in Fiji

- Forest Financing and Conservation International

- The Nadi River Basin

Day 4

Brief Summary of Day 3

Working Groups session – What are the obstacles, gaps and opportunities to forest financing in your countries?

Each group did 5-10 minutes presentation

Working Groups session – What institutional changes can be made to fill gaps and address obstacles and harness opportunities to forest financing

Day 5

Field Trip

The field trip was organized and funded by the Ministry of Primary Industries.

First stop was the Fiji Water Plant located on the northern side of Viti Levu

The plant provides employment for 252 persons

Production -42,000 bottles per hour

The water source is from an aquifer located near the plant and access is via a 60 metre bore hole

The aquifer which is covered with a 10 hectare forest is constantly monitored for sustainability

Royalties are paid to landowners for maintaining the forest

There is F\$0.15 tax on each bottle of water produced

Second Stop was at the Tropik Wood Industries Ltd plant.

The plant processes a stand of Caribbean pine () born from an environmental rehabilitation project funded by Australia and New Zealand in the 1960s.

Local landowners lease their land to the operating company.

The timber produced goes mainly to domestic markets

There are plans to sell the resin from the pines to the United States as an adhesive.

Mr. Benjamin Singer of the UNFF Secretariat presented an overview of forest financing and the UNFF process and emphasized the importance of establishing the Ad Hoc Expert Group (AHEG) and the Facilitative Process (FP) as the two main mechanisms of the UNFF work plan on forest financing.

Forest financing requires that funds be allocated for the implementation of sustainable forest management (SFM)

SFM is an evolving concept that is aimed at maintaining and enhancing the economic, social and environmental values of the forests which are beneficial to both present and future generations. SFM is critical to all sectors of the economy

The first activity under the FP is a project financed by the GEF and UK's Department for International Development (DFID) on Supporting Financing of SFM in SIDS and LFCCs and this began with a study which aimed at identifying gaps, obstacles and opportunities in financing SFM in SIDS and LFCCs. The Fiji workshop was part of the second component of the project, and aimed at validating the results of the study as well as the creation of a practitioners' network on forest financing in SIDS.

In presenting the results of the first component, Dr. Singer focused primarily on the results relevant to SIDS, and in particular on the drop in forest financing in SIDS at the global level, and the skew of external funding towards a small number of countries.

In the presentation on " Financing Sustainable Forest Management: A Comprehensive Approach to Resource Mobilization at Country Level" by Ms. Larsen – constraints and action were addressed

Constraints – SFM was not a national priority, there is weak coordination and collaboration, inadequate legal and institutional framework and also the lack of capacity to access the relevant sources of finance and the mechanisms for this financing.

Action required – contribution of forests to GDP, the need to strengthen the inter sectoral coordination and collaboration and SFM as a national priority

Mr. Jonathan Gilman's presentation was "GEF Financing to Forests" – this presentation spoke to the "green economy" and provided detailed

Highlights of Discussion

forest financing and SFM include trees outside of forests
the importance of the non-financial values of forests and of
non-timber forest products (NTFPs) was also essential to
forest financing.

Over the years SIDS experience a decrease in forest
financing. (Funding exists but it is not directed at forests).

With regards to REDD+, it was pointed out that larger developing countries have a comparative advantage in attracting funds from UNREDD, the Forest Carbon Partnership Facility (FCPF) and other sources of REDD+ funding.

The complexity of the process and the burden of sourcing funds – preparing project proposals for GEF funding for instance places a burden on SIDS due to the lack the capacity to develop and submit project funding proposals.

Capacity building is a critical need to address the MRV (Monitoring, Reporting and Verification) process that demands that SIDS have the proper capacity in place to be able to attract funding from UNREDD.

regarding the UNFF Secretariat as a donor for forest financing, it was emphasized that the role of the UNFF is a facilitative and catalytic one, working with funding agencies.

Group Discussion

What are the gaps, obstacles and opportunities to forest financing in your countries, focusing on the local, national and regional levels?

GAPS

Lack of capacity – both technical and human within forest agencies and financial re processing of funding opportunities

Lack of policy and legislative framework for forest financing – where there exists policy- no implementation and enforcement

Budgets cover recurring costs but no additional capital funding, making it difficult to plan forest management

Lack of data on forest resource and value and the potential of the revenue flow from forests;

Lack of information about forests and their potential and contribution to sustainable development

Private sector involvement is critical

Coordination, collaboration - consultative processes at all levels are essential

The lack of consultation within and between ministries leads to decision making that can negatively impact on forests or duplicate mandates

Need to have a one stop shop concept for accessing funds

Lack of incentives to private sector for improvement to or projects aimed at SFM

Lack of public awareness on the value of trees and forests

OBSTACLES

Lack of coordination and collaboration among ministries and key players for financing

Limited availability of appropriate data/information on forest financing

Too much bureaucracy as it pertains to procedures and processes to access international donor funds

Prioritization of forests by SIDS when faced with other critical/pressing issues such as food security and poverty alleviation

Creation of land use policy

Lack of political will

Opportunities

Building staff capacity to access international funding

Transfer of success stories from

countries BT/F1 39.96 Tf1 0 0 1 70.t473.3

New funding opportunities exist – fees, licenses, royalties (the challenge here is how to get the revenue to FORESTRY since the revenue generated goes to the Consolidated Fund to be shared among ministries)

Review licensing arrangements for replanting forests

What Institutional
Changes can be made to
fill gaps, address
obstacles and harness
opportunities to forest
financing?

Also need to cross train staff on mainstreaming SFM.

Address the heavy bureaucracy for accessing funds – simplify the administrative processes and procedures for SIDS

Establish national focal point committee in an effort to improve the coordination and collaboration

Collaboration and Partnership

Countries and regional organization urged to support south-south cooperation and

Call upon national, regional and international organisations and Member States to further build upon the UNFF Facilitative Process by developing a network of experts on forest financing in SIDS and LFCCs at national and international levels

Noting the connection between SFM and livelihoods Member States to empower local groups, communities and indigenous peoples through facilitating and providing forest financing programmes, projects and initiatives in SIDS and LFCCs.

Cross Sectoral Approach

Having identified the connection between

Sources and Access to Forest Financing

Member States to commit to improve the enabling environment for business and industry as it pertains to National Forest programmes and encourage private sector to invest in SFM

Member States requested UNFF to seek an agreement on the means to support SIDS and LFCCs in capacity building for forest financing, including calling for FAO to pilot an implementation project based on the Forest Financing Sourcebook

The UNFF urges the CPF, in collaboration with the UNFF Secretariat, to internalise natural resources into the process leading to the post-2015 Development Agenda.

UNFF Member States strongly urge donors, both bilateral and multilateral, to streamline and simplify the procedures and processes to access forest financing for SIDS and LFCs, in particular given the vulnerability of their economies and ecosystems;

The 193 UNFF Member States emphasise to governments and UN agencies that fiscal policies and programmes are required to create systemic and long-term support for forests, including an integrated approach to the economic, social and environmental aspects of forests.



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