

# Barriers to sustainable financing for forests

Key findings of the  
2012 AGF study on forest financing  
Chapter 4

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Forest finance: Funding flows – mechanisms & instruments – needs & gaps – **barriers to access funding** – successful examples – way forward

*“Work to **identify the barriers** for access, in particular by developing countries and countries with economies in transition, **to financing**”*

**Not just a lack of financing in terms of volume**

Weak **linkages** to other sectors such as agriculture, energy, water, finance

Lack of **data** on the economic, social and environmental benefits of forests

Inadequate **communication** of the importance of forest-related products and services

Inadequate

## Key barriers – Policy and legislative frameworks

Forest policy **goals** and **priorities** often absent, poorly implemented, enforced or aligned with other sectors

Forest sector **dialogues** and strategies often fail to consider financial resources needed or available

Insufficient public sector **fiscal policies**

Insecure forest **tenure**

**Need for integrated landscape approach**



## **Key barriers – Institutional frameworks (ii)**

### **External public funding**

Limited eligibility to receive donor finance

Complex application procedures

Specific reporting requirements

Challenges to mobilise counterpart financing

Delays in delivery

Duplications of efforts

**Need to improve jointly the delivery, alignment and efficiency of donor financing in the spirit of the Paris Declaration, Accra Agenda for Action and the Busan Partnership**

**High-risk** investments (long-term, land tenure, legal framework,



## Recommendations

Need **to make the case** for the relevance of forests for sustainable development

Need for **integrated** landscape approach

National level governments to set **thematic priorities** and to **facilitate** better organized and coordinated stakeholder engagement

Need to improve **jointly** the delivery, alignment and efficiency of donor financing in the spirit of the Paris Declaration, Accra Agenda for Action and the Busan Partnership

**Incentives** need to be in place for private sector to invest in forests, including microfinance, self-organized private deals and eco-labelling/certification

## Conclusions

Main challenge is **mobilization of finance**, not only the availability of funds

Sound **enabling environment** essential for leveraging public and private financing for SFM

**Entry points** for resource mobilization **differ** from one place to another

No **single solution** can eliminate the **various barriers** that hinder the mobilization of forest finance

**Long-term strategies required that are context appropriate and politically viable to improve the enabling environment for forest finance**

# THANK YOU

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