

The work of the Standing Committee on Finance on coherence and coordination of forest finance

CIFOR / FSU Jena side event, Bonn, 18 May 2016



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Mandate

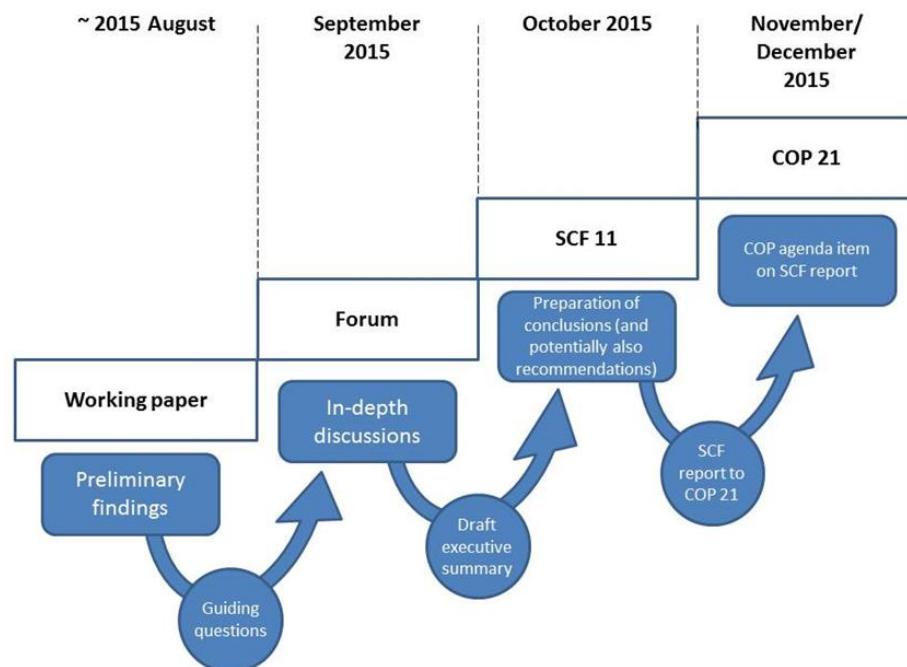
- ✓ In Warsaw, by decision 7/CP.19, the COP requested the SCF **to consider, in its work on coherence and coordination, inter alia, the issue of financing for forests, taking into account different policy approaches.**
- ✓ Furthermore by decision 9/CP.19, the COP also requested the SCF to **focus its soonest possible forum on issues related to finance for forests**, including the implementation of the activities referred to in decision 1/CP.16, paragraph 70, inter alia: (a) Ways and means to transfer payments for results-based actions as referred to in decision 1/CP.18, paragraph 29; (b) The provision of financial resources for alternative approaches.



Activities in 2015

✓ SCF Forum

- Working objective: “*Enhancing coherence and coordination of forest financing*”
- Dates and venue: 8-9 September 2015, Durban, South Africa, in conjunction with the 14th World Forestry Congress and in Partnership with FAO
- Wide variety of participants, including, inter alia, experts on the implementation of REDD+ activities and finance experts
- Summary report on the Forum included in SCF report to the COP



Activities in 2016

- ✓ The SCF, at its 11th meeting, agreed to undertake **several follow-up activities in 2016** to improve coherence and coordination of forest finance:
 - An overview of forest finance flows in the 2016 Biennial Assessment and Overview of Climate Finance Flows;
 - Consider reaching out to entities financing the activities referred to in decision 1/CP.16, paragraph 70 and other relevant stakeholders working on forest finance to strengthen the coherence and coordination between the forestry sector and sectors that drive deforestation and forest degradation, and in the access to and delivery of support;
 - An SCF side event to be organized in conjunction with an UNFCCC conference session in 2016, to facilitate the interactions among the financing entities providing forest finance;
 - Consideration of the outcomes of above-mentioned activities at the SCF meetings, with a view to preparing SCF recommendations to COP 22 on, inter alia, draft guidance to the operating entities of the Financial Mechanism.



Third Forum of the Standing Committee on Finance



Conclusions of the forum

- ✓ **Gaps in data and information on flows and no commonly agreed definition** of forest finance. Private finance scarce and difficult to track.
- ✓ Harness opportunities for scaling up forest finance by **utilizing existing financial instruments** and **investing in enabling policy frameworks**.
- ✓ **Redirect existing public and private resources** to sustainable land-use practices and forest management.
- ✓ **Enhance cross-sectoral coordination** in government and between stakeholders to improve policy coherence and effectively address the drivers of deforestation and forest degradation
- ✓ **Ensure policy coherence and coordination between forestry and activities that drive deforestation and forest degradation**.



Conclusions related to REDD+

- ✓ REDD+ finance most impactful if **aligned with national development policies and priorities, supported by cross-sectoral coordination**
- ✓ **International support is a crucial enabler** for preparation & implementation of REDD+.
- ✓ **REDD+ support should be adequate and balanced** across the implementation of the three phases of REDD+.
- ✓ REDD+ support should encourage **broad participation of all stakeholders** and be accessible to recipient countries with balanced distribution.
- ✓ Enhanced **coherence and coordination needed among entities financing REDD+**, including requirements for accessing results-based finance.
- ✓ **Warsaw Framework for REDD+** should guide funding schemes for REDD+ results-based payments.
- ✓ **Coherence needed between private proposals and national REDD+ strategies.**
- ✓ Different views on how to define alternative approaches.



- **SCF draft guidance to the Green Climate Fund (GCF), as contained in its report to COP21:**
 - ✓ *Encourages* the GCF to enhance its coordination and exchange of information on the provision of support, including results-based payments guided by the Warsaw Framework for REDD-plus, with other entities financing REDD-plus;
 - ✓ *Encourages* the Green Climate Fund to expedite work on results-based finance in 2016, applying the methodological guidance consistent with the Warsaw Framework for REDD-plus in order to improve the effectiveness and coordination of results-based finance, as referred to in 9/CP.19, paragraph 7 and report its progress to COP 22;
 - ✓ *Welcomes* GCF provisions to provide forest finance in the context of ecosystems based adaptation;
 - ✓ *Requests* the Green Climate Fund to consider, in its work under Private Sector Facility, the mobilization of finance for sustainable land-use practices and sustainable management of forests;



- **SCF draft guidance to the Global Environment Facility (GEF), as contained in its report to COP21:**
- ✓ *Welcomes* the investments by the GEF in sustainable forest management and REDD+, harnessing multiple benefits from forests and tackling the drivers of deforestation and forest degradation;



Decision 7/CP.21:

- ✓ 23. *Urges* the Board of the Green Climate Fund to operationalize results-based payments for activities referred to in decision 1/CP.16, paragraph 70, consistent with decision 9/CP.19, and in accordance with Green Climate Fund Board decision B.08/08;
- ✓ 24. *Encourages* the Board of the Green Climate Fund to consider the mobilization of private sector finance to progress the Green Climate Fund's forestry-related result areas;
- ✓ 25. *Requests* the Board of the Green Climate Fund to take into account decision 16/CP.21, in particular paragraph 6, referring to support for alternative policy approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests, as appropriate, in its funding decisions;



Decision 8/CP.21

- ✓ 2. *Welcomes* the investments by the Global Environment Facility in sustainable forest management and activities referred to in decision 1/CP.16, paragraph 70, harnessing multiple benefits from forests and tackling deforestation and forest degradation in line with the programming directions of the sixth replenishment of the Global Environment Facility Trust Fund;
- ✓ 3. *Invites* the Global Environment Facility to continue to provide finance to the activities referred to in paragraph 2 above, also taking into account decision 9/CP.19, paragraph 8, and decision 16/CP.21, as appropriate;



Thank you!

Further information and background materials can be found on:

[http://unfccc.int/cooperation and support/financial mechanism/standing committee/items/8985.php](http://unfccc.int/cooperation_and_support/financial_mechanism/standing_committee/items/8985.php)

