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Item 3 (c) of the provisional agenda*

**Policy discussions on the implementation of the
United Nations strategic plan for forests 2017–2030**

**Means of implementation, including operations
and resources of the Global Forest Financing
Facilitation Network****Note by the Secretariat***Summary*

In accordance with its programme of work, the United Nations Forum on Forests at its seventeenth session will consider means of implementation, including the operations and availability of resources of the Global Forest Financing Facilitation Network. The present note provides background information on and highlights of the results of the intersessional activities undertaken since the sixteenth session of the Forum. It serves as the basis for discussion during the seventeenth session of the Forum on sub-item (c) of agenda item 3, “means of implementation, including operations and resources of the Global Forest Financing Facilitation Network”.

* E/CN.18/2022/1.



I. Introduction

1. In accordance with the programme of work of the United Nations Forum on Forests for the period 2022–2024, the Forum at its seventeenth session will consider means of implementation, including operations and resources of the Global Forest Financing Facilitation Network.

2. The present note has been prepared to serve as the basis for discussion of the above-mentioned issue under sub-item (c) of agenda item 3. It contains: (a) relevant proposals contained in the Chair's summary of the sixteenth session of the Forum; (b) information on key global developments related to forest financing; (c) a summary of the activities of the Global Forest Financing Facilitation Network, including the Network clearing house, undertaken since the sixteenth session of the Forum; and (d) an update on developments related to the establishment of the proposed office for the Network in China. The note also includes proposals for follow-up actions for consideration by the Forum at its seventeenth session.

II. Background

3. The Global Forest Financing Facilitation Network was established in Economic and Social Council resolution [2015/33](#). In April 2017, the General Assembly adopted the United Nations strategic plan for forests 2017–2030. In the strategic plan, the Network's priorities were set out as follows:

(a) To promote the design of national forest financing strategies to mobilize resources for sustainable forest management;

(b) To assist countries in mobilizing, gaining access to and enhancing the effective use of existing financial resources from all sources for sustainable forest management;

(c) To serve as a clearing house and database for existing, new and emerging financing opportunities and as a tool for sharing lessons learned and best practices from successful projects;

(d) To serve to contribute to the achievement of the global forest goals and targets, as well as of the priorities contained in the quadrennial programme of work of the Forum.

4. On the basis of the technical discussions held at the sixteenth session of the Forum, the Chair submitted for further consideration at the seventeenth session the following proposals with respect to the means of implementation, including operations and resources of the Global Forest Financing Facilitation Network:¹

(a) Welcoming the support provided by the Global Forest Financing Facilitation Network to countries, as well as the operationalization of phase I of the Network clearing house, in strengthening capacity to mobilize resources from all sources for sustainable forest management;

(b) Requesting the Forum secretariat to hold an intersessional workshop after the seventeenth session of the Forum to review the work of the Network, the related challenges, the impact of the support currently provided by the Network to countries and the means to further increase access, within the mandate of the Network, to financing for sustainable forest management, and to review the efficiency of the Network, in close collaboration with members of the Forum, relevant international

¹ Report of the United Nations Forum on Forests on its sixteenth session ([E/2021/42-E/CN.18/2021/8](#)), sect. II.B.

organizations and partners, including international financing institutions, as a contribution to the midterm review of the international arrangement on forests in 2024;²

(c) Inviting Partnership member organizations and other partners to collaborate closely with the Forum secretariat in its efforts to develop phase II of the clearing house to ensure its cost-effectiveness and to avoid duplication;

(d) Encouraging members of the Forum, members of the Partnership and other relevant partners to share, for publication through the clearing house, their information on forest financing, in particular the good practices and lessons learned from Member States in relation to accessing financing for forests;

(e) Requesting the Forum secretariat to provide regular updates to the Forum with regard to the proposed Forum secretariat office for the Network in Beijing.

III. New developments in forest finance

Global Environment Facility

5. During the seventh replenishment period of the Global Environment Facility, the Facility continued to apply its integrated strategy to promote sustainable forest management, notably towards the implementation of the two impact programmes: Food Systems, Land Use and Restoration and Sustainable Forest Management. The Food Systems, Land Use and Restoration programme is aimed at, inter alia, combating deforestation by moving global food systems towards sustainability. Focused on the most important food commodities and staple crops (palm oil, soy, beef, cocoa, coffee, maize, rice and wheat), it supports the sustainable transformation of value chains through a system-wide approach that brings together the strategies and coalitions of multiple stakeholders.

6. The focus of the Sustainable Forest Management impact programme is on globally important biomes, such as the Amazon and the Congo Basin, and selected dryland ecoregions. The Programme is aimed at avoiding further degradation and deforestation through the conservation of forests and the sustainable management of landscapes, as well as by addressing the complex nexus of land degradation, climate change, livelihoods and biodiversity conservation. The Sustainable Forest Management and the Food Systems, Land Use and Restoration programmes were launched in June and November 2021, respectively, and their implementation phase has begun. Through the two programmes, the Global Environment Facility is supporting 46 countries with an investment of \$608 million in grants, mobilizing additional expected co-financing of \$4.5 billion from a broad range of partners and financing types.

7. The Global Environment Facility continued to support sustainable forest management in developing countries promoting integrated approaches. A total of 11 country-based sustainable forest management projects were approved in the reporting period, with total funding of \$65.5 million, in Armenia, Bosnia and Herzegovina, Cabo Verde, Eritrea, India, Micronesia (Federated States of), Niue, North Macedonia, Somalia and Turkey. Since the beginning of the seventh replenishment period of the Facility, and as at 10 December 2021, 70 country-based projects and 9 global or

² The assessment of the effectiveness of the Global Forest Financing Facilitation Network will be carried out in the context of the midterm review of the international arrangement on forests. Under agenda item 5, the seventeenth session of the Forum will hold separate discussions and decide on the preparations for the review, which include, among others, preparatory actions related to the Network. For information on the proposed actions in preparation for the review, including those related to the Network, see the note by the Secretariat on preparations for the midterm review in 2024 of the effectiveness of the international arrangement on forests in achieving its objectives (E/CN.18/2022/5).

regional projects, including sustainable forest management objectives, have been approved, with total funding of \$577 million, leveraging additional expected co-financing of \$2.3 billion. The portfolio includes many strategies, such as forest conservation, forest restoration, community-based forest management, comprehensive land use planning through a landscape approach and the sustainable use of natural resources.

Green Climate Fund

8. Forest and land use is one of the eight result areas of the Green Climate Fund and one of the four dedicated to climate change mitigation with clear adaptation co-benefits. This result area includes all projects relating to reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries (REDD-plus). It is complemented by several adaptation result areas – namely ecosystems and ecosystem services, livelihoods of people and communities, health and well-being and food and water security – all of which include additional forest-related financing. In December 2021, up to and including the thirtieth meeting of its Board, the Fund approved a cumulative \$1.375 billion in projects in the forest and land use result area. This includes financing for all three phases of REDD-plus as follows: \$12 million for phase I (readiness), \$146 million for phase II (implementation) and \$496 million for phase III (results-based payments).³

9. In 2021, the Board approved nine projects related to forest and land use, totalling \$326 million for this specific result area (\$955 million including other result areas covered by the projects). Four projects are located in Africa, three are in Asia and the Pacific and two are in Latin America and the Caribbean, and three other projects are multi-country. At its thirtieth meeting, held in October 2021, the Green Climate Fund Board approved the Amazon Bioeconomy Fund programme, submitted by the Inter-American Development Bank, which covered six countries in the Amazon Basin (Brazil, Colombia, Ecuador, Guyana, Peru and Suriname).⁴ With a total budget of \$600 million, of which \$279 million is from the Green Climate Fund (50 per cent for forest and land use and 50 per cent for ecosystems and ecosystem services), the transformative project will encourage private investment in six key areas of the bioeconomy, namely sustainable agroforestry, native palm cultivation, non-timber natural forest products, the growing of native timber species, aquaculture and community-led nature tourism.

10. With regard to results-based payments, the Board, at its twenty-seventh meeting, held in November 2020, exhausted the \$500 million envelope of the REDD-plus results-based payment pilot programme. The pilot programme, which was initiated in 2017, was intended to run through the last Board meeting of 2022. The Green Climate Fund's secretariat is currently holding consultations for a possible second phase, to be approved by the Board in 2022.

11. In addition to its network of 113 accredited entities, the Green Climate Fund frequently coordinates with other agencies providing finance and technical assistance for sustainable forest management. In particular, in 2021, the Executive Director of the Fund and the Chief Executive Officer and Chairperson of the Global Environment Facility signed a common long-term vision⁵ aimed at greater alignment and closer collaboration between the two operating entities of the financial mechanism of the United Nations Framework Convention on Climate Change. The vision is expected to

³ See <https://www.greenclimate.fund/projects>.

⁴ See <https://www.greenclimate.fund/project/fp173>.

⁵ See <https://www.greenclimate.fund/document/towards-long-term-vision-complementarity-gef-and-gcf-collaboration>.

result in enhanced coordination in the project pipeline and greater co-financing between the two financial institutions, especially of large-scale projects and programmes. The Fund secretariat is finalizing a guide to forest and land use, which provides information on the major paradigm-shifting pathways for the sector that are protecting natural forests and landscapes, restoring degraded forests and other landscapes and fostering the sustainable management of productive forest landscapes.

Adaptation Fund

12. Established under the Kyoto Protocol to the United Nations Framework Convention on Climate Change in 2010, and serving the Paris Agreement on Climate Change since January 2019, the Adaptation Fund has provided a total of \$863.6 million to more than 100 countries. The Fund's portfolio has a total of 129 climate change adaptation-specific projects in vulnerable communities of developing countries around the world, including five small innovation grants. The approved projects are expected to benefit a total of 33.3 million people and protect or rehabilitate about 400,000 ha of natural habitats, among other results. Since 2010, the Fund has allocated more than \$144 million under the impact area of increased ecosystem resilience in response to climate change- and variability-induced stress, which includes projects in the forestry sector and nature-based solutions.

13. In response to increased demand from eligible countries and to continue to support vulnerable communities amid the ongoing climate crisis, the Adaptation Fund Board, at its thirty-sixth meeting, took the decision of doubling the amount of funding to which countries can obtain access for single-country adaptation projects and programmes, from \$10 million to \$20 million. In addition, the Board decided to enable countries to nominate and accredit up to two national implementing entities per country, rather than just one, under the Fund's pioneering direct access modality. Implementing entities can apply for funding of up to \$20 million per country for single-country adaptation projects or programmes, for a maximum amount of \$10 million per project, or for a maximum of \$14 million for a regional project/programme (they are not mutually exclusive). In addition, national implementing entities can gain access to funding outside their country's cap for enhanced direct projects of up to \$5 million per project. Access to large innovation grants of up to \$5 million can be obtained by all implementing entities, and access to small innovation grants of up to \$250,000, learning grants of \$150,000 and project scale-up grants of \$100,000, respectively, can be obtained by national implementing entities only.

14. The Adaptation Fund's medium-term strategy for 2018–2022⁶ is focused on actions, innovation and learning and sharing in supporting adaptation actions while building on the Sustainable Development Goals and serving the Paris Agreement to help to meet the challenge of climate change. In this regard, the Fund raised a record \$356 million in new pledges at the twenty-sixth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change. The new amount far surpassed the Fund's 2021 resource mobilization goal of \$120 million. It will make a considerable dent in its \$300 million-plus pipeline of project proposals and the steady stream of high demand for its work.

World Bank

15. During 2021, the World Bank approved 18 projects (15 loans and three grants), for a total of \$905.5 million for projects that were focused on forests. Seven of the projects are in Africa, three are in East Asia, three are in Europe and Central Asia, three are in Latin America and two are in South Asia. In all, 13 of the 18 projects are

⁶ See <https://www.adaptation-fund.org/wp-content/uploads/2018/03/Medium-Term-Strategy-2018-2022-final-03.01-1.pdf>.

led by the environment, natural resources and blue economy global practice, while the other 5 are led by other World Bank sectoral global practices, such as agriculture and macroeconomics.

16. Between 2016 and 2021, the World Bank's forest operations achieved significant results towards global forest goals and targets. Since fiscal year 2021, 13.8 million ha of forest area have been brought under management plans, 8.9 million ha of new areas outside protected areas have been managed as biodiversity-friendly, an area of 75.7 million ha has been brought under enhanced biodiversity protection and 270 million ha of land area have been brought under sustainable land management practices.⁷

PROGREEN

17. PROGREEN, the Global Partnership for Sustainable and Resilient Landscapes, is a World Bank-administered umbrella multi-donor programme that supports countries' efforts to improve rural livelihoods while tackling declining biodiversity, forest loss, deteriorating land fertility and increasing risks, such as uncontrolled forest fires and drought exacerbated by changing climate. Through an integrated landscape approach, PROGREEN helps countries to meet national and global Sustainable Development Goals and commitments, including poverty reduction, in a cost-effective manner. In fiscal year 2021, PROGREEN initiated support for seven country and regional programmes and 11 country knowledge activities and developed its global programmes, which include flagship initiatives on key landscape topics, capacity-building and knowledge-sharing, and communications and knowledge management.

18. The International Finance Corporation, together with the asset manager Amundi, announced a new \$2 billion fund to help to mobilize direct private investment in sustainable and green bonds in emerging markets.⁸ It will channel capital from institutional investors into anchor investments involving sustainable bond issuances from developing countries and provide a new model for other asset managers and institutional investors to replicate. With regard to nature and global frameworks, the World Bank Group plans to help low-income countries to implement their national priorities regarding biodiversity and climate change in the context of global frameworks, such as the Convention on Biological Diversity and the Paris Agreement.⁹ In addition, the World Bank Group has committed itself to a climate finance target of 35 per cent of total portfolio by 2026 and a target of \$25 billion in climate finance per year for the period 2021–2026.¹⁰

Global Mechanism

19. The Global Mechanism is an institution of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa that is mandated to assist countries in the mobilization of financial resources from the public and private sectors for activities that prevent, control or reverse desertification, land degradation and drought. The Global Mechanism supports countries in translating the Convention into action and achieving land degradation neutrality at the national level. In order to translate land degradation neutrality targets into specific actions on the ground, the Global Mechanism supports country-level activities aimed at the implementation of voluntary land degradation neutrality targets, including by supporting transformative

⁷ See <https://www.worldbank.org/en/topic/forests#2>.

⁸ See <https://pressroom.ifc.org/all/pages/PressDetail.aspx?ID=26688>.

⁹ See <https://www.worldbank.org/en/news/speech/2021/10/12/remarks-by-world-bank-group-president-david-malpass-at-the-united-nations-cop-15-part-1-biodiversity-conference-high-lev>.

¹⁰ See <https://blogs.worldbank.org/voices/taking-action-world-bank-groups-climate-priorities>.

projects and programmes that address desertification, land degradation, drought, land tenure, land governance and other land-based issues.

20. Since the initiation of the work stream of transformative projects and programmes focused on land degradation neutrality, in 2018 and December 2021, the transformative projects and programmes project portfolio has included 74 countries and comprised 59 national projects involving 55 countries and 6 regional or multi-country projects involving 41 countries. More requests from countries and technical and financial partners to support project design are expected in coming years to help to translate land degradation neutrality targets and national drought plans into concrete actions.

21. The Great Green Wall is a flagship initiative that will help to develop more transformative projects and programmes with the aim of restoring, by 2030, 100 million ha of degraded land, sequestering 250 million tonnes of carbon and creating 10 million green jobs. Following the One Planet Summit for Biodiversity, held in January 2021, a Great Green Wall accelerator, with \$19 billion pledged by several donors, was launched. The Convention to Combat Desertification is hosting the coordinating unit of the accelerator and is responsible for the coordination and monitoring of the initiative. Through the accelerator, the Convention is supporting the mapping of available funding and project proposals, encouraging the knowledge-sharing process and linking partners from the public and private sectors and civil society to researchers.

22. The Convention to Combat Desertification officially launched the Land Degradation Neutrality Fund at the thirteenth session of the Conference of the Parties to the Convention to Combat Desertification, held in Ordos, China, in 2017. The Land Degradation Neutrality Fund is an impact investment fund blending resources from the public, private and philanthropic sectors to support the achievement of land degradation neutrality through sustainable land management and land restoration projects implemented by the private sector. The Fund is the first-of-its-kind investment vehicle leveraging public money to raise private capital for sustainable land management projects. By leveraging long-term non-grant financing, the Fund invests in financially viable private projects relating to land rehabilitation and sustainable land management worldwide, including sustainable agriculture, sustainable livestock management, agroforestry and sustainable forestry. In June 2021, the Fund's commitments had reached over \$208 million in eight countries in areas ranging from restoring deforested areas in Latin America to sustainable forestry projects in Africa and Asia, with a strong focus on the inclusion of smallholders. Fund investments are typically between \$10 million and \$40 million for up to 15 years.

Twenty-sixth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change

23. Participants in the twenty-sixth session of the Conference of the Parties recognized the central role of forests and other nature-based solutions in addressing the threat posed by climate change. In the Glasgow Climate Pact,¹¹ the need to tap the potential of forests to effectively mitigate and adapt to climate change was recognized, and the importance of protecting, conserving and restoring forests along with other ecosystems was emphasized. In particular, the Pact was focused on the important role of forests as sinks and reservoirs of greenhouse gases and in protecting biodiversity while ensuring social and environmental safeguards.

¹¹ See <https://unfccc.int/process-and-meetings/the-paris-agreement/the-glasgow-climate-pact-key-outcomes-from-cop26>.

24. The Glasgow Leaders' Declaration on Forests and Land Use¹² was adopted during the World Leaders Summit at the twenty-sixth session of the Conference of the Parties, held on 2 November 2021. The Declaration was supported by over 141 countries, accounting for more than 90 per cent of the world's forests, committed to working together to halt and reverse forest loss and land degradation by 2030. The high-level events held during the twenty-sixth session generated scores of pledges relating to forest finance to support sustainable forest management in developing countries. Twelve countries announced at the twenty-sixth session a global forest finance pledge¹³ to collectively provide \$12 billion for forest-related efforts by developing countries between 2021 and 2025. The funding will support action towards ending deforestation by 2030 in forest countries eligible for official development assistance. The pledge will be delivered through funding for results-based payments, technical and financial cooperation for capacity-building and other activities that support and strengthen various thematic areas of forest activities. Of the \$12 billion, at least \$1.5 billion has been committed to supporting the sustainable management of the Congo Basin forests.¹⁴ In addition, \$1.7 billion was pledged by public and private donors to support the tenure rights and forest guardianship of indigenous peoples and local communities.¹⁵

25. The United States of America announced the Plan to Conserve Global Forests: Critical Carbon Sinks, aimed at catalysing global efforts to conserve and restore forests and other ecosystems that serve as critical carbon sinks. The plan is focused primarily on three critical ecosystems of global importance: Amazon, Congo and South-East Asian forests. The plan will involve the actions of agencies across the Government of the United States, as well as the engagement of stakeholders in partner governments, indigenous and local forest communities, the private sector and civil society. Subject to Congressional appropriations, by 2030, the United States intends to dedicate up to \$9 billion of its international climate funding to supporting the objectives of the Plan.¹⁶

26. The Lowering Emissions by Accelerating Forest Finance Coalition¹⁷ is a loose alliance of three Governments (Norway, United Kingdom of Great Britain and Northern Ireland and United States) and 17 corporations, coordinated by Emergent, a non-profit organization dedicated to facilitating large-scale transactions of jurisdictional REDD-plus emission reduction and removal issued by the Architecture for REDD-plus Transactions programme. During the World Leaders Summit at the twenty-sixth session of the Conference of the Parties, the Coalition announced that it had mobilized its initial goal of \$1 billion for countries and States committed to increasing ambition to protect tropical and subtropical forests and reduce deforestation. The Coalition issued a first call for proposals in April 2021. Thus far, five countries have signed letters of intent to transact with the Coalition, namely Costa Rica, Ecuador, Ghana, Nepal and Viet Nam.

Private financing for forests

27. The Chief Executive Officers of more than 30 financial institutions with over \$8.7 trillion in global assets have committed themselves to working on eliminating agricultural commodity-driven deforestation risks in their investment and lending portfolios by 2025.¹⁸ The commitment is focused on addressing agricultural

¹² See <https://ukcop26.org/glasgow-leaders-declaration-on-forests-and-land-use/>.

¹³ See <https://ukcop26.org/the-global-forest-finance-pledge/>.

¹⁴ See <https://ukcop26.org/cop26-congo-basin-joint-donor-statement/>.

¹⁵ See <https://ukcop26.org/cop26-iplc-forest-tenure-joint-donor-statement/>.

¹⁶ See <https://www.state.gov/plan-to-protect-global-forests-critical-carbon-sinks/>.

¹⁷ See <https://leafcoalition.org/>.

¹⁸ See <https://racetozero.unfccc.int/system/nature-and-tackling-deforestation/>.

commodities that are responsible for the lion's share of deforestation impacts: beef, soy, palm oil and pulp and paper. Their stated intention is to reduce deforestation-related risks while supporting the transition to a sustainable agricultural sector.

28. At the World Leaders Summit, several initiatives aimed at scaling up private sector investment in forests and nature were announced. They included the Innovative Finance for the Amazon, Cerrado and Chaco initiative, a commitment worth \$3 billion for soy and cattle production that is free of deforestation and land conversion in South America,¹⁹ and the Natural Capital Investment Alliance of the Sustainable Markets Initiative, which is aimed at mobilizing \$10 billion of private capital towards initiatives that include direct investment in sustainable forestry and land management, as well as investments in businesses that support a shift away from a wasteful economy.²⁰

29. Although the above-mentioned developments suggest growing global recognition of the need to increase resources towards halting deforestation and achieving sustainable forest management, the available and pledged resources remain far short of the requirements. Some studies indicate that, since 2010, governments globally have committed an average of \$2.4 billion per year²¹ to activities that mitigate climate change through forests. At the international level, \$7.7 billion in international development finance has been committed to forest-based mitigation programmes and activities around the world.²² Recent estimates indicate that forest-based nature solutions to address climate change, biodiversity loss and forest landscape restoration require about \$203 billion per year.²³ On the basis of the figures, it seems that current investment levels represent only a small fraction (0.5 to 5 per cent) of what is needed to protect, restore and sustainably manage forests.²⁴ A major reason for the low investment in forests is poor knowledge and understanding of the amount of funding already directed towards assets and activities that can be considered nature-based solutions, including sustainable forest management, the amount of capital that ought to be directed towards such solutions and the clear investment opportunities. In this regard, some believe that developing an effective method and system of labelling, tracking, reporting and verifying finances for nature-based solutions may improve data comparability and quality as an input to future decision-making.

IV. Global Forest Financing Facilitation Network activities since the sixteenth session of the United Nations Forum on Forests

A. Support for members of the Forum and regional partners

30. Global Forest Financing Facilitation Network activities in support of countries to mobilize financial resources for sustainable forest management were adversely affected by the coronavirus disease (COVID-19) pandemic, with many activities undertaken at a slower pace than anticipated or postponed to the following year. Despite these challenges, the Forum secretariat continued to provide Network support

¹⁹ See https://www.tropicalforestalliance.org/assets/IFACC_Press-Release_TFA.pdf.

²⁰ See <https://www.sustainable-markets.org/news/the-sustainable-markets-initiative-s-natural-capital-investment-alliance-announces-12-new-members-and-plans-to-mobilise-more-than-usd-10-billion-of-private-capital>.

²¹ See <https://forestdeclaration.org/wp-content/uploads/2021/10/2021NYDFReport.pdf>.

²² See <https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/climate-change.htm>.

²³ See <https://www.unep.org/events/publication-launch/state-finance-nature-tripling-investments-nature-based-solutions-2030>.

²⁴ See <https://forestdeclaration.org/wp-content/uploads/2021/10/2021NYDFReport.pdf>.

to Botswana, Côte d'Ivoire, Ethiopia, Guinea-Bissau, Malawi, Saint Kitts and Nevis, Saint Lucia, South Africa, Thailand and the United Republic of Tanzania. Support for five new countries, namely Algeria, Benin, Kazakhstan, Liberia and Togo, was also initiated during the period. Project development support for gaining access to forest finance from existing multilateral sources is being provided in collaboration with the Africa Development Bank, the Food and Agriculture Organization of the United Nations (FAO), the International Union for Conservation of Nature and Natural Resources, the United Nations Development Programme and the United Nations Environment Programme (UNEP) as accredited agencies. A summary of Network support for the countries is provided below. Depending on the availability of resources, the Forum secretariat is planning to commence Network technical support for Chad, Kazakhstan, Peru, Uzbekistan and Zimbabwe in the second half of 2022.

Cote d'Ivoire

31. Global Forest Financing Facilitation Network technical support is focused on collection of baseline data and preparation of the prefeasibility study, which are aimed at developing a project proposal targeting agroforestry systems that reduce pressure on forests while diversifying smallholder incomes through the production, transformation and sale of various agroforestry products. A concept note on restoration of degraded forests in Cote d'Ivoire is being developed in collaboration with FAO, the accredited entity, and is expected to be submitted to the Green Climate Fund in 2022.

Dominica, Saint Kitts and Nevis and Saint Lucia

32. The Governments of Dominica, Saint Kitts and Nevis and Saint Lucia have been collaborating closely with the secretariat on developing a joint concept note. In the light of the vulnerability of the three countries to climate change, a concept note prioritizes their needs in terms of adapting thereto. The countries, in collaboration with the Forum secretariat and UNEP (the accredited entity), focused on refining the individual national concept notes to address issues unique to each State. A concept note and a project preparation funding application for a coastal adaptation project in Dominica has been submitted to the Green Climate Fund secretariat for comments before it is finalized.

33. The project proposal development team for UNEP, the Forum secretariat and Saint Kitts and Nevis held virtual meetings in March and September 2021 to refine a concept note in order to effectively integrate ecosystem restoration and management for climate resilience, improved forest management, water quality zones and the sustainable use of watersheds, raising the awareness of the public of the conservation and protection of water resources, soil and water conservation measures and elements of the sustainable management of groundwater resources. The concept note has been revised and updated, and feedback from the team is being awaited before it is finalized for submission to the national designated authority.

34. The drafting team for the Forum secretariat, UNEP and Saint Lucia held virtual meetings in April and May 2021 on the development and formulation of a concept note. The focus was on prioritizing adaptation to climate change and increasing the resilience of the livelihoods of peoples and communities and the ecosystems that they depend on. Efforts were made to ensure a multisectoral approach involving agriculture, water and forestry. Preparation of the prefeasibility study and a revised concept note have been completed, and validation is awaited.

Ethiopia

35. Technical support was provided to the Environment, Forest and Climate Change Commission of Ethiopia from the Global Forest Financing Facilitation Network for development of a national forest financing strategy for enhancing mobilization of resources for sustainable forest management from all possible sources. A draft strategy was circulated to key stakeholders for their review and comments. The project team held a virtual meeting in September 2021 to review the draft and the initial comments. The final draft strategy has been produced and is planned to be reviewed and finalized in early 2022.

Guinea-Bissau

36. The Forum secretariat, the Forestry Department and the International Union for Conservation of Nature and Natural Resources (the selected accredited entity) collaborated on the development and formulation of a concept note on restoring forests and agroforestry systems for climate change adaptation in Guinea-Bissau for submission to the Green Climate Fund. A project formulation workshop, which included capacity-building for the development and design of a national forest financing strategy, was held from 11 to 15 January 2021. Subsequently, drafts of the concept note and the strategy were presented to stakeholders for their review and comments. In addition, several virtual meetings were held with the drafting team and key stakeholders in August and October 2021. The final documents have been submitted to the national designated authority of Guinea-Bissau for approval and subsequent transmission to the Fund.

Malawi

37. The secretariat, in partnership with the Convention to Combat Desertification, the International Union for Conservation of Nature and Natural Resources and the Forestry Department of the Government of Malawi, completed its preparation of a concept note and a national forest financing strategy for the country. Main activities included virtual meetings and two hybrid workshops, held in May and October 2021. The first workshop was focused on improving the scope and quality of the project proposal to meet Green Climate Fund investment criteria. The second was a validation workshop that provided stakeholders with the opportunity to review and make final inputs in the project proposal and the strategy. The documents have since been finalized and adopted. Preparation of the complete project proposal was scheduled to commence in January 2022 under the leadership of the International Union, the accredited entity.

South Africa

38. Following a request from the Government of South Africa, the secretariat provided Global Forest Financing Facilitation Network technical support to the Department of Environment, Forestry and Fisheries of South Africa for development of a project proposal to mobilize financing for sustainable forest management. Activities conducted in 2021 were focused on stakeholder consultation and finalization of the project proposal. The proposal submitted to the Green Climate Fund was focused on carbon trade and restoration of degraded forest land. Support activities have been delayed owing mainly to the COVID-19 pandemic. The draft project proposal was finalized in 2021 and will be reviewed further at a validation workshop held in 2022.

United Republic of Tanzania

39. Upon the request of the Government of the United Republic of Tanzania, the secretariat initiated Global Forest Financing Facilitation Network technical support for the Government for development of a national forest financing strategy as part of a project on strengthening the capacity of least developed countries to develop evidence-based, coherent and well-financed strategies to implement the 2030 Agenda. A background analytical study on the status of forests, forest management and forest financing in the country, which was completed and shared with all the key stakeholders, provided baseline information for the formulation of the national forest financing strategy. A capacity-building workshop on the development of national forest financing strategies and the formulation of bankable project proposals for mobilizing financing for sustainable forest management was held from 15 to 20 August 2021 in Morogoro, United Republic of Tanzania. With the support of the Forum secretariat, the drafting team produced a draft national forest financing strategy, which is being reviewed by government and other key stakeholders. A validation workshop is scheduled for early 2022.

Thailand

40. Support for Thailand was completed in 2021 with the finalization of a concept note on forest landscape restoration. It was accomplished in collaboration with the Royal Forest Department of Thailand and the International Union for Conservation of Nature and Natural Resources, the accredited entity. The final concept note and supporting documents have been submitted to the national designated authority for approval and subsequent submission to the Green Climate Fund.

B. New activities**Algeria**

41. Following a request from the Government of Algeria, the secretariat initiated the provision of Global Forest Financing Facilitation Network technical support to the General Directorate of Forestry of Algeria in 2021 for development of a national forest financing strategy and a project proposal to mobilize financing for sustainable forest management. Activities conducted in 2021 were focused on preparation of a background study on forests and forest financing in the country. The General Directorate of Forestry has identified the Global Environment Facility as the targeted donor for project proposal development. An initial project topic has been identified for further consideration and elaboration. A capacity-building workshop for Algeria is planned for early 2022.

Benin

42. Following a request from the Government of Benin, the secretariat commenced the provision of Global Forest Financing Facilitation Network technical support to the Ministry of the Environment and Sustainable Development of that country in 2021 for development of a national forest financing strategy and a project proposal to mobilize financing for sustainable forest management. The approach to preparation of an analytical background study on the status of forests, forest management and forest financing was agreed on, and a national consultant has been recruited to conduct the study.

Liberia

43. Following a request from the Government of Liberia, the secretariat began the provision of Global Forest Financing Facilitation Network technical support to the Forestry Development Authority of Liberia in 2021 for development of a national forest financing strategy and a project proposal to mobilize financing for sustainable forest management. Preparation of an analytical background study on the status of forests, forest management and forest financing in the country is in progress.

Togo

44. Following a request from the Government of Togo, the secretariat began the provision of Global Forest Financing Facilitation Network technical support to the Ministry of Environment and Forest Resources of Togo for development of a national forest financing strategy and a project proposal and for mobilizing financing for sustainable forest management. Following consultation between the Forum secretariat and national officials, it was agreed to take advantage of the Network technical support to further improve an existing Green Climate Fund project proposal. The proposal is focused on landscape restoration for a cocoa plantation, and the work is in its initial stage, with more activities expected to be conducted in 2022.

Commission for the Forests of Central Africa

45. The secretariat, in partnership with the United Nations Development Programme, the accredited entity, has been supporting the secretariat of the Commission for the Forests of Central Africa and the Commission's member States in the development of a regional forest financing strategy and a draft concept note aimed at strengthening the capacity of the region in mobilizing resources for sustainable forest management from all possible sources. The draft documents have been finalized and shared with stakeholders. Progress during the year was slow owing to a disruption of activities caused by the COVID-19 pandemic, which resulted in the postponement of the validation workshop to 2022.

Economic Community of West African States

46. The Forum secretariat, in partnership with FAO (the accredited entity), supported the secretariat of the Economic Community of West African States and the drafting team of its member States in finalizing a concept note and a regional financing strategy. A final draft of the concept note was shared with the national designated authorities of the 15 member States for review to ensure alignment with national priorities, avoidance of overlap and duplication with other ongoing initiatives and confirmation to proceed with the regional project. The process has been adversely delayed by the COVID-19 pandemic.

C. Progress report on the development of the clearing house

47. Phase I of the clearing house was launched at the sixteenth session of the Forum. Phase I includes a website²⁵ and three databases, namely for funding opportunities, informational and learning materials related to obtaining access to resources, and lessons learned and best practices. Since the sixteenth session, the secretariat has continued to expand the data in phase I of the clearing house and has begun preparation for the development of phase II. Phase II comprises a database of the flow of financial resources to forests with a view to providing data for assessing progress

²⁵ See <https://forest-finance.un.org/>.

on target 15.b of the Goals and global forest goal 4, as stipulated in the guidelines of the Global Forest Financing Facilitation Network.

48. In expanding and improving the quantity and quality of the data contained in the three databases under phase I of the clearing house, the secretariat continued to follow a cost-effective approach and avoid duplication. Desk research on new data was conducted through liaison with data providers. It should be noted that existing information on good practices and lessons learned regarding forest financing continues to be limited. One way to address the issue is to encourage members of the Forum to share their practices and lessons through the clearing house information-sharing form.²⁶ At the end of December 2021, total data entries in the phase I databases of the clearing house had increased to 200 from the 130 entries present at the time of the launch of phase I at the sixteenth session of the Forum.

49. From 1 May to 31 December 2021, the clearing house website attracted about 1,400 new users from nearly 130 countries. Total page views reached nearly 5,000. To reach out to additional potential users of the clearing house and provide the most recent information on forest financing to member States, the secretariat initiated a quarterly communication product entitled “Forest Financing Quarterly Highlight”. The product includes information on new financing opportunities, learning materials and good practices. The first issue was published in January 2022.

50. In carrying out preparations for the development of phase II of the clearing house, the secretariat has been focusing mainly on identifying data providers. At the time of the preparation of the present note, the secretariat was planning a meeting with relevant member organizations of the Collaborative Partnership on Forests to identify potential data providers and discuss the steps required for establishment of phase II. In so doing, the secretariat is taking advantage of its collaboration with the members of the Partnership that are also members of the Partnership’s joint initiative on forest finance facilitation. Phase II of the clearing house will continue to be developed using the Unite Web platform hosted by the United Nations.

51. While the secretariat continues to maintain phase I and to develop phase II of the clearing house in a cost-effective manner, the activities depend mainly on the provision of voluntary contributions by members of the Forum.

D. Partnerships and joint activities

52. The secretariat, as the manager of the Global Forest Financing Facilitation Network, participated in several partnerships and joint initiatives with international, regional and subregional organizations and governments, some of which are discussed above. Some of the key partnerships and joint initiatives in which the Network has participated since the sixteenth session of the Forum are summarized below.

Interagency Task Force on Financing for Development

53. The secretariat continued to participate in the Inter-agency Task Force on Financing for Development. The main activities included a review of building block 3 of the integrated national financing framework, entitled “monitoring and review”, and development of thematic chapters on debt and creating fiscal space through which developing countries can invest in recovery, climate action and the Goals for the Financing for Sustainable Development Report 2022.

²⁶ See <https://forest-finance.un.org/content/faq>.

Collaborative Partnership on Forests joint initiative on forest finance facilitation

54. The Collaborative Partnership on Forests joint initiative on forest finance facilitation was initiated in 2015 to support the work of the Global Forest Financing Facilitation Network. It was further strengthened in 2020 in support of the Network's clearing house. The secretariat and focal points from other Partnership members, mainly the Convention on Biological Diversity, FAO, the Convention to Combat Desertification and UNEP, held meetings in March 2021. The meetings were aimed at reviewing the relevant substantive content and structure of the clearing house databases, providing suggestions for their further improvement and discussing means to enhance the synergies between the Network's project proposal development and the project pipelines of the Partnership and other entities accredited to the major multilateral funds. Activities in 2022 will be focused on the design and data sources for phase II of the clearing house on financial flows to forests.

United Nations Decade on Ecosystem Restoration

55. The secretariat continued to participate in the FAO-led taskforce on best practices regarding the United Nations Decade on Ecosystem Restoration, in collaboration with other partners. The 10 principles for ecosystem restoration,²⁷ applicable across all sectors, biomes and regions, were launched during the Congress of the International Union for Conservation of Nature and Natural Resources, held in Marseille, France, in September 2021. The task force also completed a capacity needs assessment, and a summary report on global key findings is being prepared for publication. The work of the taskforce in 2022 is focused on the development of standards of practice in ecosystem restoration.

Global Mechanism of the United Nations Convention to Combat Desertification

56. The Forum secretariat and the Convention to Combat Desertification signed a memorandum of understanding in 2017 that was aimed at developing and implementing targeted joint activities relating to sustainable land and forest management to improve the conditions of affected ecosystems, including for the achievement of land degradation neutrality (Goal 15, target 3). In this context, the Forum secretariat, as the manager of the Global Forest Financing Facilitation Network, and the Global Mechanism collaborated in Malawi to finalize a concept note for complete proposal development. Opportunities for collaboration between the two partners were identified in Benin, Liberia and Uzbekistan, where both partners were requested to provide support. The support includes capacity-building and technical assistance in the design of concept notes focusing on achieving forest landscape restoration and land degradation neutrality.

State Academy of Forestry and Grassland Administration of China: capacity-building in the implementation of the United Nations forest instrument and the United Nations strategic plan for forests

57. In July 2021, the secretariat, upon the request of the State Academy of the National Forestry and Grassland Administration of China, participated in a virtual seminar on implementing the United Nations forest instrument and the United Nations strategic plan for forests. The Forum secretariat provided three days of training to more than 100 participants from Africa, the Asia-Pacific and Latin America. The training was focused on sustainable forest management, the international arrangement on forests, the forest instrument and the strategic plan, forest financing opportunities,

²⁷ See <http://www.fao.org/documents/card/en/c/cb6591en>.

national forest financing strategies and the Global Forest Financing Facilitation Network clearing house.

E. Resources leveraged for supporting the operation of the Global Forest Financing Facilitation Network

58. The work of the Global Forest Financing Facilitation Network is funded mainly from extrabudgetary resources provided through the trust fund for the United Nations Forum on Forests by donor countries.²⁸ Since June 2021, the secretariat has mobilized \$132,300 from the regular programme of technical cooperation of the United Nations. It continued to use resources carried over from the previous year owing largely to cancellations of travel and the switch to virtual support as a result of the COVID-19 pandemic. However, as the work of the Network is returning to its normal pace, new and increased extrabudgetary resources, including contributions from donor countries, are required to support the Network's activities during the remaining period of the quadrennial programme of work for 2021–2024, including relevant activities in preparation for the midterm review of the international arrangement on forests.

V. Update on the proposed Forum secretariat office for the Global Forest Financing Facilitation Network in China

59. At its thirteenth session, the Forum noted with appreciation the offer of the Government of China to establish and make operational an office in Beijing for the Global Forest Financing Facilitation Network and requested the Forum secretariat to regularly report on the possible arrangements for and operation of the proposed office. At its fourteenth, fifteenth and sixteenth sessions, the Forum secretariat provided updates on progress on the matter. Four rounds of consultations between the United Nations and China had been held before the sixteenth session of the Forum. Since the sixteenth session, no formal meetings have been organized between the two sides. Nevertheless, ideas have been exchanged informally to explore means to address remaining differences. Further consultations are required between the United Nations and China to reach a common understanding on several issues in the draft host country agreement and the draft memorandum of understanding, including the nature and scope of the activities of the proposed office.

VI. Conclusion

60. Recent developments, including the Glasgow Leaders' Declaration on Forests and Land Use, clearly indicate growing international recognition of the urgency to mobilize increased resources for forests in order to enhance their contribution to climate change mitigation and adaptation, ecosystem and livelihood resilience and sustainable development. The need for protection, restoration and sustainable management of forests globally has never been more urgent. Unfortunately, investments in forests remain significantly lower than the massive "grey" flows of financial resources into activities that drive forest loss. With governments, especially in developing countries, facing increased funding shortages, and given the limited growth margins in development cooperation, more long-term forest financing solutions are required. This is particularly urgent, given the limited fiscal space that most governments have owing to the challenges posed by the ongoing COVID-19 pandemic. Given the continuing and

²⁸ For more information, see the note by the Secretariat on the trust fund for the United Nations Forum on Forests ([E/CN.18/2022/6](#)).

increasing requests of countries to receive Global Forest Financing Facilitation Network technical support to mobilize resources for forests from existing, new and emerging sources, increased resources are needed to enable the Network to respond adequately and effectively to the demands in a timely manner.

61. The operationalization of phase I of the Global Forest Financing Facilitation Network clearing house has fostered the availability of and easy access to information on existing and emerging sources of finance, as well as the provision of materials that cover lessons learned and best practices for gaining access to forest finance from all possible sources. However, it is necessary to continue to raise awareness of the existence of the clearing house and the utilization of its data and information to increase its benefits to all relevant stakeholders. Members of the Forum, as the main source of good practices and lessons learned with regard to forest financing, have an important role to play in sharing such information for publishing on the clearing house website.

VII. Proposals for follow-up actions

62. The Forum during its seventeenth session may wish to:

(a) Welcome the support provided by the Global Forest Financing Facilitation Network to countries for strengthening capacity to mobilize resources from all sources for sustainable forest management;

(b) Invite Collaborative Partnership on Forests members to consider seconding staff to the secretariat to enhance the capacity of the Global Forest Financing Facilitation Network with a view to providing adequate and timely support to members of the Forum;

(c) Request the secretariat, in collaboration with Collaborative Partnership on Forests members, to continue to develop and make operational phase II of the clearing house, including its new database on forest financial flows, and to encourage members of the Forum to share their lessons learned and best practices regarding forest financing for publishing on the website of the Global Forest Financing Facilitation Network clearing house;

(d) Invite members of the Forum and others in a position to do so to provide voluntary contributions to the trust fund for the Forum in order to scale up the activities of the Global Forest Financing Facilitation Network.
