

## Summary of Stream 5: Our green future: green investment and growing our natural assets

This stream, which was coordinated by the Asia-Pacific Network for Sustainable Forest Management and Rehabilitation (APFNet) and ASEAN-ROK Forest Cooperation (AFoCo), examined issues related to green investment and growing natural assets in the Asia-Pacific region. Attended by more than 200 people, it comprised 16 events and presentations by more than 100 speakers.

### Key messages

- There is no universally agreed definition of green investment, but the concept involves socially and environmentally responsible corporate governance as a way of reducing investment risk and at the same time promoting green development.
- Differentiating between asset-building investments (e.g. investing in a plantation) and enabling investments (e.g. donor funding to build business capacity) is necessary to clarify investment goals and satisfy the interests of all stakeholders.
- Institutional investors are increasingly looking for green investments in Asia-Pacific forests; for example, the Tropical Asia Forest Fund is worth US\$170 million. Overall, green investment appeals to long-term institutional investors, who seek profitable, socially beneficial and environmentally sustainable opportunities.
- A paradigm shift is needed away from the current model of capital looking for natural resources towards one in which the local private sector (e.g. smallholders and communities) seeks capital from investors. Increasing the capacity of forest communities to develop successful enterprises based on the sustainable use of forest and tree resources is therefore crucial.
- Participatory green investment is not just the right thing to do: there is evidence that encouraging co-investment by local people helps create more robust rural economies, which in turn, strengthens national economies.
- Intrinsic to green investment projects is the participation of stakeholders in policy development, implementation, monitoring and the sharing of benefits; secure, equitable tenure arrangements for land and trees; and intersectoral cooperation and policy coordination. Other prerequisites include transparency, reliable data on investment opportunities, and trust-building.
- Policies are needed to foster partnerships between governments, companies, investors and communities to increase the effectiveness of investments and develop local forest enterprises.
- Many new technologies and approaches are emerging in the region to restore degraded landscapes. Examples are Rainforestation; ROAM (Restoration Opportunities Assessment Methodology), which assists countries to analyse and identify forest and landscape restoration (FLR) opportunities at the national or subnational levels; agroforestry action research supported by the ASEAN–Korea Environmental Cooperation Project (AKECOP); the Asia-Pacific Forest Invasive Species Network; forest spatial information systems, such as those supported by AFoCo; and FLR initiatives supported by, among others APFNet, FAO, IUCN, IUFRO and the World Resources Institute.
- Global and regional FLR and reforestation goals such as the Bonn Challenge and the APEC 2020 restoration target present opportunities for green investment and advancing restoration efforts.
- Funding mechanisms, such as the Green Climate Fund and the Global Environment Facility, are available to accelerate the uptake of green investment through enabling and asset-building green investments. Examples of potential enabling green investments are:
  - building business development capacity among forest smallholders, and increasing education and awareness on sustainable forest management;
  - the transfer of appropriate technology, and programmes for the conservation and sustainable use of the region's forest genetic resources;
  - sharing lessons learned from policy approaches and experiences in green investment as a way of

- spreading best practices in the region;
- the transformation of existing forest restoration research sites into “learning centres of excellence”;
- programmes to document indigenous knowledge, skills and practices on the propagation of native species;
- the transfer and deployment of reliable technology to efficiently collect and manage forest data as a basis of forest investment efforts; and
- transboundary efforts to address threats posed by forest invasive species.

## **Stream recommendations**

The Asia-Pacific Forestry Commission and its members and stakeholders may wish to consider:

- **Facilitating cross-sectoral dialogue and partnerships among policymakers, financiers and other stakeholders in the public and private sectors, with a view to creating an enabling policy environment for green investments in forests and other natural assets in the Asia-Pacific region. Initial actions may involve forming public–private partnerships to:**
  - **convene a regional-level, cross-sectoral multistakeholder workshop to build knowledge and relationships on green investment; and**
  - **seek enabling investments from mechanisms such as the Green Climate Fund and the Global Environment Facility.**
- Working to secure forest resource tenure rights and increase community ownership as part of promoting green investment.
- Sharing, within the region, the lessons learned from sustainable forest management and FLR approaches in the region to encourage green investment.
- Focusing on the interface between companies, smallholders and communities for effective interventions aimed at improving the productivity and inherent sustainability of forests.
- Promoting forestry education by strengthening regional cooperation among forest education institutions and taking collaborative actions to develop educational tools and programmes, such as the Asia-Pacific Forestry Education Coordination Mechanism’s Sustainable Forest Management Online Courses.
- Increasing transboundary efforts to combat the threats posed by forest invasive species, such as through small-scale regional projects on identified serious forest invasive species and by creating an information-sharing platform on forest invasive species in the region.
- Engaging the private sector, government agencies, the investment sector, local communities, indigenous groups and all other relevant stakeholders in the ROAM process as a way of analysing the cost–benefit of FLR and identifying appropriate restoration opportunities.
- Considering regional cooperation to support national restoration activities, among other things to provide information and technical guidance and coordinate the many international organizations working on restoration in the region.
- Supporting programmes to document indigenous knowledge, skills and practices on the propagation of native species, and the transformation of research and demonstration sites into “learning centres of excellence” for collaborative forest restoration research and institutional development, to underpin green investment in forests.
- Encouraging members to join and contribute to the Asia Pacific Forest Genetic Resources Programme (APFORGEN) as a mechanism for regional collaboration on the conservation and use of forest genetic resources, and encouraging APFORGEN to establish a regional training centre on forest genetic resources.