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DRAFT FUNDING STRATEGY FOR THE IMPLEMENTATION OF *THE GLOBAL PLAN OF ACTION FOR THE CONSERVATION, SUSTAINABLE USE AND DEVELOPMENT OF FOREST GENETIC RESOURCES*

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I. INTRODUCTION

1. The Commission on Genetic Resources for Food and Agriculture (the Commission), at its Fourteenth Regular Session in April 2013, considered draft strategic priorities for action on forest genetic resources and agreed on them as the *Global Plan of Action for the Conservation, Sustainable Use and Development of Forest Genetic Resources* (Global Plan of Action).¹ Subsequently, the FAO Conference adopted the Global Plan of Action at its Thirty-eighth Session in June 2013.² At its Fifteenth Regular Session in January 2015, the Commission agreed on the *Strategy for the Implementation of the Global Plan of Action for the Conservation, Sustainable Use and Development of Forest Genetic Resources* (the Implementation Strategy).³

2. The Implementation Strategy recognizes that the implementation of the Global Plan of Action, in particularly in developing countries, depends on the availability of additional financial resources. It also requests FAO to develop a Funding Strategy for the implementation of the Global Plan of Action (Funding Strategy).⁴ At its last session, the Commission considered progress made in developing the Funding Strategy.⁵ It requested FAO to continue pursuing extra-budgetary funds, developing the funding strategy to assist countries in the implementation of the Global Plan of Action and encouraging donors to provide support.⁶

3. This document presents recent developments in the global framework on forests, including the main forest-related financing mechanisms. Based on these developments, an approach for finalizing the Funding Strategy and possible next steps are proposed. A draft Funding Strategy is presented in the *Appendix* to this document for review by the Intergovernmental Technical Working Group on Forest Genetic Resources (the Working Group).

II. THE GLOBAL FRAMEWORK ON FORESTS, INCLUDING FOREST-RELATED FINANCING MECHANISMS

Recent developments in the global framework on forests

4. The Global Plan of Action encourages countries and stakeholders to explore new funding opportunities for forest genetic resources, including climate change and biodiversity-related funds.⁷ It is therefore crucial to align the implementation of the GPA-FGR with global, regional and national efforts that are promoting the implementation of sustainable forest management. Furthermore, it is important to consider the existing funding mechanisms for sustainable forest management to avoid duplication of efforts and to fast-track the mobilization of financial resources for actions on the conservation and use of FGR.

5. When the UN General Assembly adopted the Non-Legally Binding Instrument on All Types of Forests (now called the UN forest instrument) in 2007, it re-affirmed forest biological diversity as one of the seven elements of sustainable forest management. The UN General Assembly also adopted, in 2017, the UN strategic plan for forests 2017-2030 which provides a global framework for actions at all levels to sustainably manage all types of forests and trees outside forests and halt deforestation and forest degradation. The strategic plan includes six global forest goals and 26 associated targets to be achieved by 2030. These voluntary goals and targets contribute to the implementation of the 2030 Agenda for

¹ CGRFA-14/13/Report, paragraph 52.

² C 2013/REP, paragraph 77.

³ CGRFA-15/15/Report, *Appendix E*.

⁴ CGRFA-15/15/Report, *Appendix E*, Chapter VI.

⁵ CGRFA-16/17/19, paragraphs 18-20.

⁶ CGRFA-16/17/Report, paragraph 73.

⁷ Strategic Priority 27: Strengthen efforts to mobilize the necessary resources, including financing, for the conservation, sustainable use and development of FGR.

Sustainable Development and the Paris Agreement of the UN Framework Convention on Climate Change (UNFCCC), as well as the Convention on Biological Diversity (CBD) and the United Nations Convention to Combat Desertification (UNCCD). The following goals are of particular importance for the conservation and use of FGR:

a. Global Forest Goal 2 (*Enhance forest-based economic, social and environmental benefits, including by improving the livelihoods of forest-dependent people*) includes the conservation and sustainable use of genetic diversity of forests and trees outside of forests as one of the indicative thematic areas for action. Forest genetic resources are also highly relevant for several other thematic areas of Global Forest Goal 2, such as the contribution of forests to poverty eradication and livelihoods, forests and trees in the urban context and agroforestry. Furthermore, sustainable and appropriate use of forest genetic resources is crucial for achieving Global Forest Goal 1 (*Reverse the loss of forest cover worldwide through sustainable forest management, including protection, restoration, afforestation and reforestation, and increase efforts to prevent forest degradation and contribute to the global effort of addressing climate change*).

b. Global Forest Goal 4 (*Mobilize significantly increased, new and additional financial resources from all sources for the implementation of sustainable forest management and strengthen scientific and technical cooperation and partnerships*) is also highly relevant for the preparation of the draft funding strategy for the implementation of the GPA-FGR. Furthermore, the implementation of the GPA-FGR contributes to achieving Global Forest Goal 6 (*Enhance cooperation, coordination, coherence and synergies on forest-related issues at all levels, including within the United Nations system and across member organizations of the Collaborative Partnership on Forests (CPF), as well as across sectors and relevant stakeholders*).

6. The Collaborative Partnership on Forests (CPF)⁸ consists of 14 international organizations and secretariats with substantial programmes on forests promoting sustainable forest management and strengthening long-term political support to this end. The CPF is chaired by FAO and serviced by the Secretariat of the United Nations Forum on Forests (UNFF)⁹ under which the UN forest instrument was negotiated. The CPF activities include an online Sourcebook on Funding for Sustainable Forest Management¹⁰ which was developed to help countries and other stakeholders locate global funding sources for sustainable forest management projects.

7. In 2015, the UNFF established the Global Forest Financing Facilitation Network (GFFFN) for increasing access to financial, technical and scientific resources to implement the UN Forest Instrument. The GFFFN continues the previous UNFF work on forest financing and is recognized as one of the five main components of the international arrangement on forests. The priority areas of the GFFFN include facilitating access to existing financial mechanisms and mobilizing new and additional financial resources for sustainable forest management.

8. Recent developments in the context of the CBD should also be kept in mind. In December 2016, Thirteenth Conference of Parties (COP13) to the CBD welcomed the Cancun Declaration and urged Parties to strengthen their efforts to mainstream conservation and sustainable use of biodiversity within and across various sectors, including agriculture, forestry, fisheries and aquaculture, and tourism at all levels and scales. COP13 encouraged Parties to create enabling conditions, strengthen the enforcement of laws and regulations, and promote the implementation of sustainable forest management. COP13 also welcomed a proposal by FAO to establish a platform on biodiversity and agricultural sectors for governments, communities of practice and other stakeholders to build bridges between sectors, identify synergies, align goals and develop integrated cross-sectoral approaches to mainstreaming biodiversity

⁸ <http://www.cpfweb.org/en/>

⁹ <http://www.un.org/esa/forests/index.html>

¹⁰ <http://www.cpfweb.org/73034/en/>

in the agriculture, forestry and fisheries sectors. In addition, COP13 took note of the Global Plans of Action on plant, animal and forest genetic resources.

Lessons learnt from mobilizing financial resources for sustainable forest management

9. The GFFFN has summarized lessons learnt based on the past and ongoing efforts for mobilizing financial resources for sustainable forest management.¹¹ They are also relevant for the preparation of the funding strategy for the implementation of the GPA-FGR:

a. There are both challenges and opportunities in mobilizing forest financing at global, regional and national levels. Challenges include a complex financing “landscape” especially at the global level and the fact that limited amounts of available official development assistance can be invested to the forest sector as many countries have low capacity to translate such investments into action, and maintain these investments to generate long-lasting impacts. Opportunities include untapped sources of funding, in particular in private sector. It is recognized that private-sector financing offers significant potential but this financing is mostly channelled into activities that maximize short-term economic potential. While public-sector financing often plays a catalysing and leveraging role, private-sector financing could also contribute more broadly towards the aims of sustainable forest management. Other opportunities are offered by regional and international cooperation, for example, in the form of learning and sharing experiences and information.

b. A holistic approach is crucial for mobilizing financial resources for sustainable forest management because of the complex financing landscape. Furthermore, as the multiple values of forests are attractive to a broad range of financing instruments, donors and investors, a coordinated approach is necessary to cover all elements of sustainable forest management. Forest financing strategies have thus been proposed for enhancing coordination at both national and regional levels. Mobilizing financial resources should also involve a degree of flexibility as “one-size-fits-all” approach matches poorly with different national or sub-national situations and specific needs of countries.

c. Building capacity in preparing bankable project proposals and in implementing large projects can address the lack of absorptive capacity together with capacity-building on technical issues related to sustainable forest management.

10. With these lessons in mind, the GFFFN is already aiming at enhancing coordination, cooperation and coherence among various funding sources and mechanisms.

Main financing instruments for forests

11. Currently, the main multi-lateral financing mechanisms for forests are the Global Environment Facility (GEF)¹² and the Green Climate Fund (GCF)¹³. The GEF was established in 1992 and it is the financial mechanism of the five major international environmental conventions, including the CBD, the UNCCD and the UNFCCC. The GEF provides funding to government agencies, civil society organizations, private sector companies and research institutions in developing countries and countries with economies in transition to support their efforts in implementing these conventions. For its sixth funding period (2014-2018), the GEF received a total of USD 4.43 billion and so far it has supported 629 projects during the current funding period. Sustainable forest management has been as one of the key areas for the GEF financial support and this is expected to continue during the seventh funding

¹¹ <http://www.un.org/esa/forests/wp-content/uploads/2015/10/Issuebrief3.pdf>

¹² <http://www.thegef.org/>

¹³ <https://www.greenclimate.fund>

period which starts in July 2018. Furthermore, GEF-7 is expected to increase its support for forest and landscape restoration.

12. The GCF was established in 2010 to help developing countries limit or reduce their greenhouse gas (GHG) emissions and adapt to climate change. The role of forests in climate change adaptation and mitigation was recognized in the Paris Agreement of the UNFCCC and the investment priorities of the GCF include support for reducing emissions from deforestation and enhancing forest-based mitigation options. As of April 2018, GCF has granted USD 596 million to projects and its investment portfolio expected to increase rapidly as many more projects are currently in the final pipeline. In 2014, donors pledged to provide more than USD 10 billion to the GCF.

13. Several other multilateral funding mechanisms and development banks continue supporting the implementation of sustainable forest management although many of them have directed part of their funding to the GEF and the GCF. In case of bilateral funding, many donors are also continuing their support to projects on sustainable forest management although during the past years, other funding priorities have often outcompeted forests in the allocation of official development assistance.

14. FAO is one of the partner agencies of the GEF and it has also been accredited by the GCF to manage its projects. In the past, FAO has managed, or contributed to, the development and implementation of several GEF-funded projects on sustainable forest management, which are expected to also contribute to the implementation of the GPA-FGR. Currently, FAO is coordinating ongoing or forthcoming projects in the Central African Republic, Fiji, Haiti, Mozambique, Pakistan, Philippines, São Tomé e Príncipe, Sri Lanka and Uzbekistan¹⁴ that aim at enhancing sustainable forest management or supporting forest and landscape restoration with the GEF funding. Furthermore, FAO is currently supporting Burkina Faso, Chad, Congo, Senegal and Sudan in developing project proposals for the GCF to enhance the contributions of forest and other land use sectors to climate change adaptation and mitigation.

III. PROPOSED APPROACH FOR FINALIZING THE DRAFT FUNDING STRATEGY

15. The aforementioned lessons learnt from mobilizing financial resources for the implementation of the Global Plans of Action on animal and plant genetic resources and sustainable forest management allow several observations. It is likely that the establishment of a stand-alone FAO Trust Fund for the implementation of the Global Plan of Action on forest genetic resources would make available limited amounts of new financial resources for this work in developing countries and create considerable transaction costs. In consequence, country or regional projects on forest genetic resources funded through such a Trust Fund would be, similarly to the other sectors, short-term and rather small in terms of budget

¹⁴ Forest and Landscape Restoration supporting Landscape and Livelihoods Resilience in the Central African Republic (GCP/CAF/002/GFF, 2018-2022); Community-based Integrated Natural Resource Management in Fiji (GCP/FIJ/008/GFF, 2018-2019); Sustainable Management of Wooded Production Landscapes for Biodiversity Conservation in Haiti (GCP/HAI/036/GFF, 2019-2023); Payment for Ecosystem Services to Support Forest Conservation and Sustainable Livelihoods in Mozambique (GCP/MOZ/117/GFF, 2017-2022); Reversing Deforestation and Degradation in High Conservation Value Chilgoza Pine Forests in Pakistan (GCP/PAK/091/GFF, 2018-2021); Enhancing Biodiversity, Ecosystem Flows, Carbon Stocks through Sustainable Forest Management and Restoration of Degraded Forestlands in the Philippines (GCP/PHI/065/GFF, 2018-2022); Landscape Restoration for Ecosystem Functionality and Climate Change Mitigation in the Republic of São Tomé e Príncipe (GCP/STP/022/GFF, 2018-2023); Promoting Sustainable Forest Management and Improving Livelihoods through Integrated Land Use Planning and Forest Landscape Restoration in Sri Lanka (GCP/SRL/074/GFF, 2018-2022); Sustainable Management of Forests in Mountain and Valley Areas in Uzbekistan (GCP/UZB/004/GFF, 2018-2023).

16. The following approach is therefore proposed for mobilizing financial resources for the implementation of the Global Plan of Action.

a. Firstly, for both technical and financial reasons, the proposal is to mainstream actions on the conservation and use of forest genetic resources into larger and more holistic actions that are supported by the GEF and the GCF to enhance the implementation of sustainable forest management and forest-based adaptation and mitigation measures for climate change, respectively. This approach would also be in line with the Cancun Declaration of the 2016 UN Biodiversity Conference that urged Parties to strengthen their efforts to mainstream conservation and sustainable use of biodiversity within and across various sectors, including agriculture, forestry, fisheries and aquaculture, and tourism at all levels and scales.

b. Secondly, in parallel with the mainstreaming efforts, financial resources would be mobilized from all possible sources for strategic actions on forest genetic resources, such as capacity-building, development of national strategies and strengthening of national tree seed systems, for example. The strategic actions should be in line with the four priority areas of the Global Plan of Action but tailored to meet specific needs and conditions of different countries and regions.

c. Thirdly, it will be necessary to cooperate with relevant ongoing forest financing initiatives to *inter alia* emphasize the importance of investing in forest genetic resources, and create awareness on the fundamental role of these resources in sustainable forest management. Such cooperation would also allow making available information on possible funding sources without duplicating efforts. As part of the implementation strategy of the Global Plan of Action, the Commission requested FAO to collect, maintain and regularly update on its website information on donor mandates, policies, eligibility criteria and procedures for submitting proposals for projects on forest genetic resources. As the UNFF has already established the GFFFN for a similar purpose to support the implementation of sustainable forest management, FAO could collaborate with the GFFFN to make available information on funding opportunities for forest genetic resources. In addition to making information available on funding sources, the GFFFN is also promoting the development of national forest financing strategies and facilitating access to existing and emerging funding sources.

IV. POSSIBLE NEXT STEPS

17. Subject to the recommendations of the Working Group and considerations by the Commission at its next session, possible next steps for implementing the draft funding strategy could include the follow ones.

18. Countries could to identify strategic and specific actions on forest genetic resources, and communicate the identified actions to the attention of relevant national agencies leading resource mobilization and interactions with different donors, in particular the GEF and the GCF. Based on the identified strategic actions, countries could also formulate brief concept notes describing the identified strategic actions in detail, including proposed timeframes for necessary activities and financial resources needed to implement them. The identification of the proposed strategic actions should be supported by relevant information, such as the country progress reports on the implementation of the Global Plan of Action and/or the country reports to *The State of the World's Forest Genetic Resources*. The identified strategic actions on forest genetic resources should also be communicated to relevant ministries and FAO country offices for consideration in Country Programme Frameworks.

19. FAO will continue to promote the mainstreaming of forest genetic resources when supporting countries to develop project proposals to the GEF and the GCF. It will also continue pursuing extra-budgetary funds and enhance its cooperation with the GFFFN to make available information on existing and emerging funding sources.

APPENDIX

DRAFT FUNDING STRATEGY FOR THE IMPLEMENTATION OF *THE GLOBAL PLAN OF ACTION FOR THE CONSERVATION, SUSTAINABLE USE AND DEVELOPMENT OF FOREST GENETIC RESOURCES***1. Purpose**

The purpose of the Funding Strategy is to mobilize financial resources and to strengthen international cooperation to support developing countries and countries with economies in transition in their efforts to implement the *Global Plan of Action for the Conservation, Sustainable Use and Development of Forest Genetic Resources* (Global Plan of Action), adopted by the FAO Conference at its Thirty-eighth Session in June 2013, to contribute to the United Nations Strategic Plan for Forests 2017-2030, the 2030 Agenda and other relevant international commitments on forests.

2. Priority areas of the Global Plan of Action

The Global Plan of Action identifies a total of 27 strategic priorities at national, regional and global levels grouped into the following four priority areas:

- Improving the availability of, and access to, information on forest genetic resources;
- Conservation of forest genetic resources (*in situ* and *ex situ*);
- Sustainable use, development and management of forest genetic resources; and
- Policies, institutions and capacity-building.

It acknowledges that the importance of each strategic priority may differ significantly in different countries and regions. Strategic Priority 27 calls action to “*strengthen efforts to mobilize the necessary resources, including financing, for the conservation, sustainable use and development of forest genetic resources*”. The Global Plan of Action further acknowledges that resource mobilization for its implementation requires due attention and efforts at all levels, including coordination with numerous initiatives underway within countries, regionally and globally.

3. Objectives of the Funding Strategy

The Funding Strategy has the following objectives:

- To mainstream actions on the conservation, use and development of forest genetic resources and their financing into large and holistic country-led actions that are designed to enhance the implementation of sustainable forest management, including conservation and use of forest biodiversity, and forest-based adaptation and mitigation measures for climate change;
- To mobilize financial resources from all possible sources for strategic and specific actions on forest genetic resources at national, regional and international levels; and
- To cooperate with relevant ongoing forest financing initiatives, in particular the Global Forest Financing Facilitation Network (GFFFN) established by the United Nations Forum on Forests (UNFF), to make available information on, and facilitate access to, existing and emerging funding sources.

The mainstreaming and strategic actions for which financial resources are mobilized under the Funding Strategy should address the priority areas of the Global Plan of Action, and be in line with relevant

international agreements. Furthermore, these actions should be tailored to meet specific needs and conditions of different countries and regions, and be fully aligned with existing forest, biodiversity, climate change, food security and other relevant policies.

In addition to making information available on funding sources, the cooperation with ongoing forest financing initiatives should also promote integration of forest genetic resources into national forest financing strategies and create awareness on the fundamental role of these resources in sustainable forest management.

4. Financial resources relevant to the Funding Strategy

The Funding Strategy covers all known and potential sources of financial resources, including:

- Financial resources allocated at national level for the conservation, use and development of forest genetic resources, in accordance with each country's national capacities and financial situation;
- The main multi-lateral financing mechanisms for forests, i.e. the Global Environment Facility (GEF)¹⁵ and the Green Climate Fund (GCF)¹⁶, providing co-funding for large and holistic country-led actions to enhance the implementation of sustainable forest management, including forest restoration, and forest-based adaptation and mitigation measures for climate change;
- Other multi-lateral, as well as bilateral and regional support, to countries, regional networks and international organizations for the implementation of the Global Plan of Action;
- Financial resources provided by foundations, the private sector, non-governmental organizations and other sources for the implementation of the Global Plan of Action;
- Extra-budgetary funds made available for FAO to provide technical and financial support to the implementation of the Global Plan of Action at national, regional and international levels, or components on forest genetic resources as part of broader projects on sustainable forest management; and
- FAO Regular Programme resources, including the Technical Collaboration Programme.

The control of these financial resources are scattered between, and often within, countries and other entities or mechanisms. In addition to controlling their own financial resources, developing countries eligible for GEF and GCF financing can decide on their priorities for using the funds allocated to them by the two multilateral financing mechanisms. In case of Technical Collaboration Programme, countries can also define, through Country Programming Frameworks, their priorities for FAO action at country level.

Developed countries and other donors make decisions on the allocation of international development assistance or investments based on their own criteria and aims which may, or may not, reflect the priority areas of the Global Plan of Action. The same applies to the funding criteria or priorities used by foundations, the private sector, non-governmental organizations and others. This situation makes it necessary to increase coordination within countries as well as among entities involved in multilateral, regional and bilateral financing, and to seek synergies while mobilizing financial resources from different sources for the implementation of the Global Plan of Action. Furthermore, it is also crucial to continue creating awareness of the importance of forest genetic resources.

5. Considerations for the implementation of the Funding Strategy

Most of the relevant financial resources to support the implementation of the Global Plan of Action are beyond FAO's control. Therefore, FAO will play, in collaboration with its partners and subject to the availability of resources, a facilitating role in mobilizing financial resources for this purpose, building

¹⁵ <http://www.thegef.org/>

¹⁶ <https://www.greenclimate.fund>

on its existing partnerships with the GEF and the GCF, as well its ongoing contributions to the international arrangement on forests. In parallel, FAO will explore ways to increase human and financial resources available for its work on forest genetic resources as these resources are currently very limited.

There is increasing evidence that donors are recognizing the importance of managing forest genetic resources, and that they are willing to support this work as part of larger projects or programmes that support sustainable forest management and forest-based adaptation and mitigation measures for climate change. However, FAO's experience from supporting countries in the preparation of project proposals for GEF and GCF funding suggests that national agencies leading the preparations of GEF and GCF proposals are often poorly aware of needs for national-level action on forest genetic resources, and that they may have little collaboration with those national agencies and other stakeholders which are dealing with forest genetic resources. Concerning FAO's Technical Collaboration Programme, the findings of the 2016 evaluation of FAO's work in genetic resources indicate that countries give forest genetic resources lower priority in Country Programming Frameworks as compared to animal and plant genetic resources.

To address these problems, as a first step, it is necessary for national agencies and other stakeholders dealing with forest genetic resources to identify strategic and specific actions on forest genetic resources, and prioritize them, so that they can be brought to the attention of national agencies which are acting as GEF and GCF focal points, and possibly also interacting with other donors. The identified strategic actions on forest genetic resources should also be communicated to relevant ministries and FAO country offices for consideration in Country Programme Frameworks. If a country has already developed a national strategy for forest genetic resources, the strategic activities have readily been identified in this document.

The Commission on Genetic Resources for Food and Agriculture (the Commission) shall oversee, based on the recommendations by the Intergovernmental Technical Working Group on Forest Genetic Resources, the implementation of the Funding Strategy. The Commission encourages its Members to identify strategic actions on forest genetic resources and to communicate the identified activities to relevant national agencies leading resource mobilization and interactions with different donors.

6. Monitoring and review

The Commission shall monitor the implementation of the this Funding Strategy and review progress made in this regard based on different sources of information, including FAO progress reports to the Commission and the Working Group, reports on the implementation of the Global Plan of Action, country reports and reports provided by regional networks on forest genetic resources and relevant international organizations.