

Collaborative Partnership on Forests
Summary report of Strategic Dialogue II
2-3 July 2009

In Attendance

FAO: Jan Heino (Chair)
Rosalie McConnell
Peter Holmgren
Michael Martin
Rikiya Konishi

ITTO: Eduardo Mansur
IUCN: Stewart Maginnis
IUFRO: Alexander Buck

Secretariats

CBD: Tim Christophersen
GEF: Dirk Gaul
UNCCD: Elisabeth Barsk
UNFCCC: Florin Vladu
UNFF: Jan McAlpine
Peter Csoka
Mita Sen
UNEP: Mario Boccucci
World Bank Gerhard Dieterle

Regrets: CIFOR, ICRAF, UNDP

1. Opening and Welcome

The Chair welcomed participants to the second strategic dialogue, noting that the first one took place in Bonn seventeen months earlier. He mentioned the recent climate change initiative, launched by Prime Minister Gordon Brown, which called on donor countries to contribute \$100 billion annually to help fund climate change adaptation activities in developing countries. The Chair noted that such developments increased the need for CPF members to work collaboratively.

The Director of the UNFF Secretariat reaffirmed the need to work together on critical emerging issues. She mentioned UNFF8 outcomes, including the resolution on "Forests in a Changing Environment" which highlights interlinkages among the three Rio conventions. She noted that the CPF had been created to support UNFF and that the NLBI provided a framework for this support. She stressed the need to gain a better understanding of how forest policy is developing in various arenas, including climate change, to best determine where the CPF might focus its collaboration. She also noted recent developments in the institutional arrangements between the UNFF Secretariat and other CPF members, including the Secretariats of CBD, UNCCD and the GEF.

2. Setting the scene: Climate Change – Bonn informals, preparations for COP 15 and NAMA

The Chair reported on meetings the CPF had with the chairs of SBSTA and LCA during the Bonn informals. The SBSTA Chair suggested that the CPF draw on technical paper FCCC/TP/2009/1¹ when identifying priorities for helping countries to build capacity for estimating and monitoring GHG emissions from the forest sector.. The LCA Chair noted that CPF could contribute to discussions most effectively by making its views known to country delegations.

The representative of the UNFCCC Secretariat briefed participants on the climate change negotiations. He pointed out that the term "REDD plus" was coined by Parties to reflect their negotiations which has become an accepted term and its current consideration includes several elements, namely objectives, guiding principles, means of implementation, reporting/verification and institutional arrangements. In the context of the AWG-LCA, discussion focused on how REDD plus would help developing countries participate in climate change mitigation and what activities could be included. Because discussions on adaptation have not been sector specific, forests

¹ Cost of implementing methodologies and monitoring systems relating to estimates of emissions from deforestation and forest degradation, the assessment of carbon stocks and greenhouse gas emissions from changes in forest cover, and the enhancement of forest carbon stocks

were not addressed *per se*. With regard to nationally appropriate mitigation actions (NAMAs) by developing countries, he informed participants on what NAMAs are, why they are needed, how they may be financed, what is their relationship with carbon markets, etc..

The discussions in CPF highlighted the need to go beyond the "carbon lens" view of forests as SFM is a conceptual approach broader than REDD. As a first step to increase understanding and better communicate the concept, the UNFF Secretariat tabled a paper which contained agreed language on SFM from multilateral discussions. Participants agreed to submit it to the UNFCCC as a CPF contribution and discussed the need to develop a more detailed paper to distribute at upcoming key forest events, including the World Forestry Congress, Forest Day 3 and International Year of Forests 2011.

3. Overview of emerging funding mechanisms related to forests and opportunities for synergies

The GEF Secretariat briefed participants on the fifth replenishment. Under current arrangements, SFM is addressed under the focal areas of biodiversity, climate change and land degradation. For GEF V, the Secretariat with support from a technical advisory group and additional input from GEF Agencies, donor countries and NGOs is developing an independent investment strategy for projects seeking funding for SFM. SFM projects funded under GEF IV are in the order of \$350 million and the Tropical Forest Account (TFA) allocates another \$50 million as an incentive mechanism for financing pilots for REDD. Countries are expected to increase overall funding for GEF V in the range of \$3.5 - \$10 billion. Under GEF V, the Secretariat is also proposing an extension of the TFA of between \$200 and \$500 million to finance SFM in all types of forests.

FAO and UNEP informed participants that Norway, Denmark and other donor countries have committed \$52 million to the UN-REDD Programme, most of which supports pilot projects in 9 countries. The remainder is used to share knowledge and technical expertise. Elements of the Programme consist of readiness; transformation; and, eventually, the sale of carbon assets in a global market.

The World Bank briefed participants on the FIP which helps governments and the private sector to carry out large scale transformation in a few pilot countries. The fund has a target of \$300-500 million to build capacities and address climate change through activities such as afforestation and trade. The design was finalized after consultation with 6 donor countries, 6 developing countries and 6 non-state actors, including 2 representatives from each of the private sector, indigenous peoples and civil society. An expert group will be convened next year to provide a short list of countries from which a selection will be made. A unique feature of the FIP is the direct funding of indigenous and local community activities.

The Secretariat of the Global Mechanism stressed that the GM is not a funding mechanism. Rather, its mandate is to facilitate financing and provide advice on sustainable land management. Financing for forests is part of integrated strategies for sustainable land management which includes dry forests, degraded forests and forests outside standing tropical forests. The focus is on raising understanding and increasing financial flows to address sustainable land management issues. Workshops on integrated financing for land management for SIDS and LDC countries are to be held in Fiji and the Caribbean.

ITTO provided information on the REDDES Programme which was launched last year and has \$8 million in funding to date. The objective of the programme is to improve livelihoods by reducing deforestation and forest degradation and enhancing environmental services through sustainable management of tropical forests. Focus is on improving capacities and incentives for environmental services through sustainable forest management, including at the community level.

4. UNFF as a process to facilitate financing activities related to SFM

The UNFF Secretariat briefed participants on plans for further work on financing for SFM which will build on the analytical work done by the Advisory Group on Finance and include an exercise to map programmes on forest financing. A GEF grant will fund this first phase which will concentrate on SIDS countries. However, efforts will eventually extend to the other groups identified in the paper which AGF prepared for UNFF8, including LFCCs, HFLDs, Africa, and SMEs. CPF involvement will be sought at all stages – the peer review of papers, participation in workshops, the sharing of experiences in SIDS (e.g. GM, FAO), and future funding for CPF.

5. Copenhagen and beyond

Participants identified possible issues that CPF could address in the lead up to Copenhagen and beyond:

- Absorptive capacity at the country level
- Modes of delivery – decentralized? direct involvement of people?
- Forests and conflict – future increase in land grab
- Forests and payment for environmental services

- Forests and access and benefit sharing of genetic resources
- Forests and agriculture
- Forest governance
- Bioenergy
- Forests in the Green deal/ Green Economy
- Forests for adaptation
- Landscape restoration
- Civil society/stakeholder engagement - lessons learned on methods of consultation and engagement
- UNFF & UNCCD initiative on LFCCs

6. Areas for future CPF collaboration (outputs of working group discussions)

<i>Area</i>	<i>Rationale</i>	<i>Products</i>	<i>Who</i>	<i>When</i>
Common understanding of SFM	Need to harmonize understanding of SFM, both within CPF, and externally. Climate change negotiators and others need to better understand all dimensions of SFM.	A communications strategy, internal discussion paper, as basis for policy summary paper, a policy brief, and a media product to explain the concept of SFM and inform policy experts and processes.	SCBD to develop a first draft of internal CPF discussion paper. UNFFS, FAO WB on RIL ITTO on forest degradation UNFFS and ITTO for media product	policy brief for Barcelona (Nov); draft for discussion at WFC (Oct); media product for IYB '10 and IYF '11
Financing SFM	The analysis by the Advisory Group on Finance is a good basis to identify gaps and opportunities to fund SFM within and outside climate change.	4 stand-alone but complementary papers (Mapping Exercise, Funding for SIDS and LFCCs, Transformative mechanisms, Climate and Financing) which, taken together, would serve as lessons learned.	UNFFS and WB to draft ToRs UNFFS to lead, with support from GEF, GM, UNCCD, ITTO and IUCN (GFP)	ToRs Oct 2010 papers by early October 2010 UNFFS and WB to develop TORs
Forests for people, livelihoods and poverty eradication	The theme of UNFF9 covers a range of issues – all of which are pertinent for future CPF work.	Series of papers based on UNFF MYPOW and an event at UNFF9 / IYF	UNFFS, with WB support, drawing on Forest Sourcebook	papers by Aug 2010 event at UNFF9 in 2011
Stakeholder engagement	CPF's knowledge and experience in working with stakeholders should be used to build capacity of indigenous peoples and local communities to implement products.	Guidelines for use at national level and best practices	UNFFS, IUCN, GM, IUFRO (UNDP on CSO involvement?)	May and October 2010

Agenda: CPF Strategic Dialogue II

Objectives

The objectives of this second strategic dialogue are threefold:

- to develop a coherent approach in support of sustainable forest management, including in matters related to forest financing
- to identify ways of strengthening CPF collaboration over the longer term on the full range of forest issues
- to examine key emerging issues with a view to determining those which should be included in a future CPF agenda

Context

With all eyes turned toward Copenhagen and beyond, the forest sector stands to reap considerable benefit from the outcomes of negotiations, especially in terms of securing additional financial assistance. The challenge is to ensure that such funds and funding mechanisms are well coordinated and used in the most effective and efficient manner. However, viewing forests and trees outside forests strictly from a carbon lens will not only minimize the importance of the many other services and products they provide, it will also hinder the achievement of sustainable forest management in all its dimensions. Therefore, this strategic dialogue is an opportunity for the CPF to identify and prioritize other pressing issues, in addition to those associated with forestry-based climate change mitigation and adaptation

Thursday, 2 July 2009

11:00 – 13:30	Welcome (Jan Heino) Opening remarks (Jan McAlpine) Introductions Setting the scene <ul style="list-style-type: none">• summary of meetings in Bonn (Jan Heino)• update on preparations for UNFCCC COP 15 (Florin Vladu)• NAMA (Florin Vladu) Overview of emerging funding mechanisms related to forests and opportunities for synergies <ul style="list-style-type: none">• GEF V (Dirk Gaul)• UN-REDD (Peter Holmgren)• FIP and FCPF (Gerhard Dieterle)• GM (Elizabeth Barsk-Runquist)• REDDES Programme (Eduardo Mansur) UNFF as a process to facilitate financing activities related to SFM (Jan McAlpine)
14:30 – 18:30	Potential role and contributions of CPF in adopting a coherent approach in support of forest-based climate change mitigation and adaptation based, based upon information presented on emerging funding mechanisms (2 working groups)
Evening	CPF as a catalyst for action up to and beyond Copenhagen

Friday, 3 July 2009

09:00 – 09:30	Summary of previous day's discussions and next steps, including implementation of the CPF Strategic Framework for forests and climate change (Jan McAlpine)
09:30 – 13:30	Strengthening collaboration on other emerging issues, besides finance in areas where CPF can make a difference (2 working groups)
15:00 – 17:30	Development of a future agenda (group discussion) <ul style="list-style-type: none">• road map covering the next 2-3 years, including CPF involvement in the International Year of Forests
17:30 – 18:00	Wrap-up and closing (Jan Heino)