

Statement
of the European Union and its 27 Member States

26th session of the FAO Committee on Forestry

Rome, 3-7 October 2022

Agenda item 8.4.: Finance and Investment in Forest Pathways

Mr Chair,

1. I am honoured to speak on behalf of the European Union and its 27 Member States.
2. Republic of Moldova, Türkiye and Ukraine align themselves with this statement.
3. We take note of the fact that forest investment is well below what is required for successful realization of forest pathways and all sources of funding – domestic government, private and official development assistance need to be tapped. In this regard, we support further inclusion of sustainable forest management, including restoration, in climate finance.
4. We emphasise the need to simplify procedures, enhance access to existing financial resources, monitor the level of direct financing to local stakeholders and to stakeholder organisations, and engage in long-term financing, that contribute to halting deforestation and forest degradation, enhancing restoration and increasing sustainable forest management
5. We call for increasing coherence across public finance instruments towards sustainable landscapes, in particular through assessment of impacts on forests of agricultural subsidies, public expenditures and incentives. Shifts in policies are needed to divert financial flows away from actions that harm forests and to incentivize investments in conservation, restoration, and sustainable forest management.
6. We welcome FAO support to Members, upon their request, to strengthen their capacities for efficient use of the finance opportunities offered by multilateral agreements and to access climate finance, mobilize private sector finance for forestry and increase the opportunities for investments. At the same time, we remind of the similar activities of the Global Forest Finance Facilitation Network under the UNFF.
7. We emphasize that public finance can create the enabling environment for transforming agriculture and food systems to decouple agricultural production and trade from deforestation in both public and private sector investments. This includes investments in transparency, accountability and stakeholder engagement.

8. We also emphasize the need for very long term and risk reducing financial mechanisms (for example guarantees) in order to support all three forest pathways and especially increasing sustainable management of forests, which is the most challenging pathway to finance due to its long-term nature.
9. We emphasize the role of forestry in the development of markets for carbon-neutral and sustainable forest products and the need to efficiently use forest-related emerging carbon finance opportunities.

Thank you, Mr Chair.