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Technical 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 Economic and Social Council resolution [2020/14](#), the United Nations Forum on Forests, at its sixteenth session, should consider means of implementation, including operations and resources of the Global Forest Financing Facilitation Network. The present note provides background information on, and highlights the results of, the intersessional activities undertaken by the Forum secretariat through the Network since the fifteenth session of the Forum. The note serves as the basis for discussion, at the sixteenth session, on sub-item (f) of agenda item 3, “means of implementation, including operations and resources of the Global Forest Financing Facilitation Network”.

* [E/CN.18/2021/1](#).



I. Introduction

1. In accordance with annex I to Economic and Social Council resolution [2020/14](#), the United Nations Forum on Forests, at its sixteenth session, should 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 on agenda item sub-item (f) of agenda item 3 during the sixteenth session of the Forum. It contains: (a) information on key global developments related to forest financing; (b) a summary of the activities of the Global Forest Financing Facilitation Network; (c) updates on the development of the Network clearing house; and (d) an update on developments related to the establishment of the proposed office for the Network in China. The note includes proposals on follow-up action for discussion by the Forum at its sixteenth session.

II. Background

3. The Global Forest Financing Facilitation Network was established through 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 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 recommendation of the Forum at its fifteenth session, the Economic and Social Council adopted resolution [2020/14](#). In the resolution, the Council welcomed the assistance provided through the Global Forest Financing Facilitation Network in supporting eligible countries in mobilizing financial resources from all sources for sustainable forest management, as well as the support to the Network provided by members of the Forum through their voluntary contributions to the Forum trust fund, and underscored the importance of conducting the work of the Network, consistent with its mandate, and enhancing the effectiveness of its activities.

5. At its thirteenth session, the Forum adopted the guidelines for operation of the Network and requested the Forum secretariat to initiate development of the Network's online clearing house mechanism. In Economic and Social Council resolution [2020/14](#), the Council noted the progress achieved in developing the Global Forest Financing Facilitation Network clearing house, consistent with the guidelines for the operation of the Network, and requested the Forum secretariat to continue to work closely with member organizations of the Collaborative Partnership on Forests and other data providers in designing the first phase of the clearing house, with a view to avoiding duplication and increasing synergies and efficiencies, and to report to the

Forum at its sixteenth session on the progress achieved in that regard, including on the possible budget implications. The present note provides an update on the progress achieved in the development and operationalization of the first phase of the clearing house.

6. In resolution [2020/14](#), the Forum secretariat was requested to provide regular updates with regard to the proposed United Nations Forum on Forests secretariat office for the Global Forest Financing Facilitation Network in Beijing and to provide a progress report to the Forum at its sixteenth session. The present note contains an update on the matter.

III. New developments on forest finance

Global Environment Facility

7. In its seventh replenishment period, the Global Environment Facility (GEF) made funding for forests available, notably through an integrated approach involving two impact programmes: Food Systems, Land Use and Restoration, endowed with \$430 million, and Sustainable Forest Management, endowed with \$261 million. In 2019, the GEF Council approved support to 23 countries under the Food Systems, Land Use and Restoration impact programme, with a budget of \$306.5 million and \$2,515.5 million of expected co-financing and support to 24 countries under the Sustainable Forest Management impact programme, for a total budget of \$263.1 million and \$1,706.0 million of expected co-financing.

8. Since January 2020, GEF has received 11 new expressions of interest from countries to participate in the Food Systems, Land Use and Restoration impact programme, 5 of which have been approved for funding in Guinea, Kenya, Madagascar, Nicaragua and Uzbekistan. To support the countries, GEF invested \$39,320,788. In total, the supplementary set of countries brought the total number of participating countries to 28 and the cumulative total GEF financing for the Food Systems, Land Use and Restoration impact programme to \$345,818,514, leveraging a projected co-financing of \$2,794,077,390.

9. In addition to the impact programmes, seven country-based sustainable forest management projects were approved, with total funding of \$34.9 million, in the reporting period: China, Myanmar, Peru, Thailand, Turkey, Venezuela and Viet Nam. In addition, GEF approved the Collaborative Partnership on Forests joint initiative, entitled “Green Finance for Sustainable Landscapes”, developed in collaboration with the United Nations Environment Programme (UNEP) and the Centre for International Forestry Research, with a grant funding of \$1 million and partner contributions by UNEP and the Centre of \$5.8 million. The overall objective of the initiative is to boost the interest of banks and investors to increase capital flows towards restoration and deforestation-free agriculture.

Green Climate Fund

10. With regard to the Green Climate Fund, as at December 2020, 43 approved projects contained the forests and land use results area, 18 more projects than reported in the previous report ([E/CN.18/2020/5](#)). A total of 29 of the projects were aimed at other result areas. Most of the projects were cross-cutting, combining a variety of the Fund’s eight results areas (areas of focus) across mitigation and adaptation, because forest and land use investments provide benefits for both mitigation and adaptation in all cases, although, for reporting purposes, the Fund categorizes forest and land use as a mitigation results area. For example, projects aimed at providing adaptation benefits, such as restoring degraded landscapes for watershed protection, will also

deliver mitigation benefits. Nonetheless, because many projects do not quantify the mitigation benefits, they are only reported as adaptation projects.

11. Of the approved 43 projects, 14 were fully categorized as for forest and land use (100 per cent allocated to the forest and land use results area). A total of 37 of the projects refer to a single country, while 6 refer to multiple countries. In terms of geography, and only addressing the projects in individual countries, 9 projects were approved in Africa, 9 in Asia, 3 in Central Asia and 18 in the Latin America and the Caribbean region, respectively. The 43 projects amounted to Green Climate Fund provision of \$2.2 billion, comprising forest and land use and the various result areas. The total financing of the projects, including funding and co-financing, from the Fund, amount to \$6.4 billion. The breakdown for the budget, taking into account the forest and land use projects, amounts to only \$694.3 million. The number of direct beneficiaries targeted by the 43 approved projects is 24 million.

12. The Green Climate Fund has approved seven Fund readiness and preparatory support programme proposals aimed at forests and land use, in particular 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), in Bhutan, Burkina Faso, Congo, Equatorial Guinea, Honduras, Jamaica, Lao People's Democratic Republic and Malaysia. The seven projects amount to a total of \$4.5 million. Under the REDD-plus results-based payments pilot programme, launched in October 2017, eight countries have received payments from the Fund, amounting to a total of \$496.75 million: Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Indonesia and Paraguay. There is a clear indication of traction in the results-based payments direction. With the approval of the Argentina and Costa Rica REDD-plus results-based payments projects at the end of 2020, the pilot programme has exhausted its funds. The Green Climate Fund secretariat is analysing opportunities for the continuation of the REDD-plus results-based payments programmes for Board consideration during 2021. In 2020, the Fund secretariat established a more structured framework for collaboration in the form of communities of practice which support the Fund to expand its interventions through a larger group of organizations and institutions relevant to the forest sector. The Fund secretariat is currently finalizing the sectoral guidance on forest and land use. A final draft has been developed, and consultations are planned for 2021.

World Bank

13. Nineteen World Bank operations (16 loans and three grants) were approved in fiscal year 2020, for a total of \$961 million net commitments to forests. Eight of the projects are in Africa, six are in East Asia, three are in Latin America and two are in South Asia. In all, 9 of the 19 projects are led by the environment, natural resources and blue economy global practice, while the other 10 are led by other World Bank sectoral global practices, such as agriculture, energy, water, and macroeconomics. Significant results were achieved from 2016 to 2020, during the implementation of the Forest Action Plan: 5.8 million beneficiaries, 1.1 million of whom were women and girls, and World Bank forest operations have resulted in 479,000 people gaining monetary benefits from forests and trees, which directly resulted in 11,000 people being employed in the production and processing of forest products.

14. The Programme on Forests, PROFOR, closed in June 2020, after 18 years of funding knowledge work on forests at the World Bank. The Programme on Forests implemented more than 270 activities across four broad areas: livelihoods, finance, governance and cross-sectoral themes. A new programme, the Global Partnership for Resilient and Sustainable Landscapes, PROGREEN, which builds on the lessons from PROFOR and those of other programmes, was launched in September 2019.

15. PROGREEN is aimed at enabling countries to deliver on their national development objectives and global commitments related to, for example, forests, climate change and biodiversity in an integrated and cost-effective manner with the objective of maintaining and improving ecosystem services in resilient production and conservation landscapes. PROGREEN supports analytical work and capacity-building, and it co-finances investments in forests to address key drivers of land use changes from agriculture, infrastructure, mining and other sectoral activities that affect forested areas. In August 2020, the Partnership Council of PROGREEN approved the first annual workplan and budget for PROGREEN. The agreed plan will support country programmes in Argentina, Ethiopia and Ghana and regional programmes in Central Asia and in the oasis of North Africa and the Sahel. PROGREEN will develop state-of-the-art knowledge on the following key topics: nature-based solutions and land restoration, nature-based tourism in the pandemic era, repurposing agricultural subsidies and rethinking fiscal incentives for environmental sustainability.

Restoration Seed Capital Facility

16. UNEP, the Frankfurt School of Finance and Management and the Governments of Germany and Luxembourg launched the Restoration Seed Capital Facility to help private investment fund managers to set up dedicated investment funds and forest restoration projects in developing countries, contributing to their efforts to meet the objectives of the Sustainable Development Goals and the Rio conventions. The Facility builds on the successes of the Bonn Challenge and is aimed at scaling up forest and landscape restoration significantly during the United Nations Decade on Ecosystem Restoration (2021–2030).

Forest and Farm Facility

17. The Forest and Farm Facility is a partnership hosted by the Food and Agriculture Organization of the United Nations (FAO) that strengthens forest and farm producer organizations to secure their rights, organize their businesses, sustainably manage their forests and provide social and cultural services to the poor and marginalized. The first phase of the Facility (2012–2018) exceeded all expectations, as forest and farm producer organizations themselves leveraged more than \$100 million in additional financing, pressed through 51 policy changes (including long-stalled handovers of forest land rights) and attracted 158 new financial investments in the 262 businesses, which diversified or added value through Facility support. The second phase (2018–2023) will build on the success by scaling up activities in nine core partner countries: Ghana, Kenya, Madagascar, Togo and Zambia (Africa), Nepal and Viet Nam (Asia) and Bolivia and Ecuador (Latin America). Additional countries in the same network for which the Facility is actively seeking funding include the Gambia and Liberia (Africa), Indonesia and Myanmar (Asia) and Guatemala and Nicaragua (Latin America).

Impacts of the global pandemic of the coronavirus disease on forest financing

18. The coronavirus disease (COVID-19) pandemic, with its broad social and economic impacts, has had a huge effect on forest financing at the national, regional and global levels, making the availability of financing for forests more challenging than ever. At the same time, the pandemic has raised global awareness of the fact that the health of forests is indispensable to ensuring the health of the planet and humankind. In this regard, it is imperative that financing for forests be an integral part of recovery and sustainable development financing for a sustainable future.

19. There is growing recognition that investing in sustainable forest management, including the mobilization of adequate financing, is a key component of effective and

resilient recovery from the COVID-19 pandemic. In the face of the pandemic, the secretariat provided a preliminary analysis of the impact of COVID-19 on forest financing, publishing its findings in a policy brief entitled “Financing sustainable forest management: a key component of sustainable COVID-19 recovery”.¹ In the brief, the adverse impacts of the pandemic on income generation from forests was analysed, as well as the implications for current and future funding for forests. Measures were then proposed to finance sustainable forest management, mobilize investment and other resources for forests, as an essential component for effective post-pandemic recovery plans. The measures include integrating forest financing into COVID-19 stimulus packages and recovery plans, increasing international financial support to vulnerable countries, enabling private entities for long-term and sustainable investment and developing and implementing National Forest Financing Strategies. Many countries have already begun to integrate forest financing into stimulus and economic recovery packages. While developed countries can provide stimulus packages, most middle-income and developing countries, in particular small island developing States, least developed countries and landlocked developing countries, currently lack the financial resources to support comprehensive stimulus packages and recovery measures that incorporate financing for forests. Increased international support is required to assist the countries in their recovery efforts. In addition, the secretariat has conducted an initial assessment of the impacts of COVID-19 on sustainable forest management in response to Economic and Social Council resolution 2020/14. Detailed information on the matter is included in document E/CN.18/2021/7 for consideration by the Forum at its sixteen session.

IV. Activities of the Global Forest Financing Facilitation Network since the fifteenth session of the Forum

A. Support to members of the Forum and regional partners

20. The activities of the Global Forest Financing Facilitation Network in support of countries to mobilize financial resources for sustainable forest management were adversely affected by the COVID-19 pandemic, with many activities undertaken at a slower pace than anticipated or postponed to next year. Despite the challenges, the Forum secretariat continued to provide Network support to Botswana, the Central African Republic, Côte d’Ivoire, Dominica, Guinea-Bissau, Malawi, North Macedonia, Saint Kitts and Nevis, Saint Lucia, South Africa, Tanzania and Thailand. Support to Ethiopia was also initiated during the period. Project development support for accessing forest finance from existing multilateral sources is being provided in collaboration with accredited agencies that include the Africa Development Bank, FAO, the International Union for Conservation of Nature and Natural Resources, the United Nations Development Programme (UNDP) and UNEP. A summary of the support provided to each country or entity is provided below.

Botswana

21. Activities in Botswana are focused on the development of a national forest financing strategy and the project concept note based on priorities in the proposed national forest master plan for the period 2019–2039. The development of the financing strategy has been completed, and the formulation of a project on integrated ecosystems and biodiversity management is in progress.

¹ Available at www.un.org/development/desa/dpad/publication/un-des-a-policy-brief-88-financing-sustainable-forest-management-a-key-component-of-sustainable-covid-19-recovery/.

Central African Republic

22. The United Nations Forum on Forests and FAO have partnered with the Government of the Central African Republic in drafting a project proposal aimed at the Least Developed Countries Fund, managed by GEF, which supports the world's most vulnerable countries in their efforts to adapt to the effects of climate change. The activities, part of the Global Forest Financing Facilitation Network support provided by the Forum secretariat, are focused on developing a project identification form in consultation with various national stakeholders. The final project identification form is expected to be submitted in 2021.

Côte d'Ivoire

23. Activities in Côte d'Ivoire are focused on developing a national forest financing strategy and a project proposal aimed at agroforestry systems. The project proposal includes a suggestion that pressure on forests be reduced and that smallholder incomes be diversified through the production, transformation and sale of various agroforestry products. The secretariat, FAO and the Government are currently developing a project concept note on restoration of degraded forests.

Dominica, Saint Kitts and Nevis and Saint Lucia

24. The Governments of Dominica, Saint Kitts and Nevis and Saint Lucia have been collaborating closely with the secretariat to develop a joint project concept note that prioritizes the needs of all three countries in terms of adapting to climate change in the light of their vulnerability to extreme weather events. The countries recently selected UNEP as their accredited entity and are now working to finalize the joint concept note for submission to the Green Climate Fund, as well individual national project concept notes to address issues unique to each State.

Ethiopia

25. The secretariat initiated support to the Government of Ethiopia, upon request, to develop a national forest financing strategy under a project on strengthening the capacity of least developed countries to develop evidence-based, coherent and well-financed strategies to implement the 2030 Agenda for Sustainable Development. The project was implemented by the Department of Economic and Social Affairs. The secretariat provided Global Forest Financing Facilitation Network support in June 2020 for the preparation of a detailed situation analysis of the forest sector and forest management in the country. The development of a national forest financing strategy is under way to enhance the mobilization of resources for sustainable forest management from all possible sources.

Guinea-Bissau

26. Activities conducted in 2020 include the preparation of a detailed situation analysis of the status of forest management and forest financing in Guinea-Bissau and consultations with stakeholders on priority issues to be considered during the design of a national forest financing strategy. The Government has selected the International Union for Conservation of Nature and Natural Resources as the accredited agency to partner with it in the development of a project concept note on strengthening sustainable forest management, which is now in progress.

Malawi

27. In partnership with the secretariat of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or

Desertification, Particularly in Africa, the Forum secretariat, the International Union for Conservation of Nature and Natural Resources (the accredited entity) and the Department of Forestry of Malawi are collaborating on developing a proposal to the Green Climate Fund on climate-resilient forest landscapes and livelihoods. Activities include virtual meetings held in August and December 2020, stakeholder consultations, a project formulation workshop conducted from 27 October to 6 November 2020 and the collection of detailed baseline data from project sites.

North Macedonia

28. The secretariat has provided support to North Macedonia since October 2018 for the development of a national forest financing strategy and a project concept note. At the validation workshop for the national forest financing strategy and concept note, held in Skopje on 22 and 23 January 2020, the national forest financing strategy was approved by its stakeholders. The project concept note was further revised based on comments from workshop participants and delivered to FAO, the accredited agency, for final review and submission to the Green Climate Fund.

South Africa

29. Following a request from the Government of South Africa, the secretariat initiated support to the Government for development of a project proposal for mobilizing financing for sustainable forest management. The development of a project concept note to mobilize resources from the Green Climate Fund to enhance the adaptive and mitigation capacities of the country related to climate change through sustainable forest management is currently under way. The project is being developed in collaboration with the South African National Biodiversity Institute, the selected accredited entity, and the Department of Environment, Forestry and Fisheries. A validation workshop is planned for 2021 for further improvement of the draft project proposal.

Tanzania

30. The secretariat initiated support to the Government of Tanzania, upon request, to develop a national forest financing strategy under a project on strengthening the capacity of least developed countries to develop evidence-based, coherent and well-financed strategies to implement the 2030 Agenda. The project was implemented by the Department of Economic and Social Affairs. The secretariat provided support to the Global Forest Financing Facilitation Network in January 2020. The secretariat established a team to assist in the development of a national financing strategy and the design of a project proposal for submission to one of the existing multilateral funding mechanisms. Activities completed to date include stakeholder consultations and a detailed situation analysis of forest management and forest financing.

Central African Forests Commission

31. Following a capacity-building workshop on designing and formulating projects for obtaining access to funds from multilateral financing institutions, held in November 2019, the secretariat, in partnership with UNDP as the accredited entity, has been supporting the secretariat of the Commission for the Forests of Central Africa and Member States in the development of a project concept note. The main activities are focused on the development of a regional forest financing strategy and a draft concept note aimed at strengthening the capacity of the region in designing and implementing REDD-plus projects and a move towards results-based payments. The validation workshop is expected to be held in 2021. UNDP has mobilized resources for the development of the full project proposal for submission to the Green Climate Fund.

Economic Community of West African States

32. Following a request from the Economic Community of West African States, the secretariat held a capacity-building workshop on designing and promulgating projects for obtaining access to funds from multilateral financing institutions in Abuja in March 2020. The workshop was attended by participants from the region. The participants decided to develop a project proposal on climate-resilient forests and communities based on forest landscape restoration. The secretariat, in partnership with FAO as the selected accredited entity, is in the process of developing a concept note for submission to the Green Climate Fund. A virtual project formulation meeting to review the draft concept note and solicit inputs from Member States was held on 24 November 2020. The validation workshop has been rescheduled for 2021.

B. Challenges and opportunities

33. Many developing countries and countries with economies in transition continue to face multiple challenges to mobilizing and obtaining access to funding for sustainable forest management, in particular from multilateral funding sources. They include limited expertise in project development and formulation, resulting in reliance on accredited entities expertise and consultants; complex project development processes, procedures and requirements, in particular for gaining access to climate-related financing; long project development periods (two to three years for full proposals); the high cost of project preparation; inadequate funding for project proposal development; and inadequate funding for project preparation. The high cost of full proposal development (approximately \$0.5 million to \$0.6 million per project), as well as limited funding for project preparation, is affecting many accredited entities in supporting countries because they are forced to limit the number of countries or projects that they can support to budgets available in a given period. The situation has lengthened not only project pipelines but also overall project preparation time frames for countries.

34. In a few cases, some accredited entities withdrew their support in the middle of project concept note development, leaving countries to search for new accredited entities to support them. The situation has resulted in either the restarting of the process or the realigning of the proposal with the priorities and requirements of the new accredited entity. Consequently, the Global Forest Financing Facilitation Network-supported project preparation process and time frame were further delayed and/or prolonged. In other cases, the accredited entities did not continue their support to full project proposal development after the completion of the Network-supported project concept note development, owing mainly to a lack of resources for full project preparation by the accredited entity. As a consequence, the Network has been expected and demanded to increase its contribution to cover the costs of full project preparation to reduce the financial burden on countries and the accredited entities.

35. A lack of information on forest financing requirements is a major barrier to improved understanding of the true costs and financing needs for the management of all types of forests. The situation is exacerbated by a similar lack of information on the actual and potential contribution of trees and forests to local and national sustainable development. Such problems are contributing to the low profile of forests and lower-than-expected investment in forest management in many countries, notwithstanding an increase in rhetoric and recognition of the contribution of forests to addressing challenges such as climate change, biodiversity loss and risk reduction and the potential to contribute to a green and low-carbon development pathway and resilient societies. To this end, increased support is needed for countries with technological innovations and digitalization to improve the collection, analysis and

use of accurate and up-to-date data on forests and forest financing needs and on the contribution of forests to sustainable development in support of the mobilization of resources needed for sustainable forest management.

36. The development and implementation of national forest financing strategies have proved to be an effective means to strengthen national resource mobilization and improve cross-sectoral, stakeholder and development partners' coordination and interaction at the national and regional levels. The national forest financing strategies help to strengthen interlinkages of forestry and related sectors, such as agriculture, water, energy, the environment, industry, climate change and risk reduction. The financing strategies have also proved to be effective means of integrating forests and forest financing into national sustainable development frameworks and including the potential for integration into integrated national financing frameworks.

37. The outbreak of COVID-19 prevented the secretariat and members of the Forum from having a stocktaking of the work of the Global Forest Financing Facilitation Network and its impacts during the fifteenth session of the Forum. In advance of that session, the secretariat shared its own assessment of the work of the Network and presented a detailed report on the challenges and opportunities (see [E/CN.18/2020/5](#)). In this respect, and when the situation returns to normal, it would be desirable to hold a specific intersessional workshop, or, if there is interest, a country-led initiative, to review the impacts of the current Network support to countries and the means to further increase the efficiency of the Network.

C. Partnerships and joint activities

38. Multi-stakeholder partnerships continued to play an important role in scaling up resources for sustainable forest management and the implementation of the Global Forest Financing Facilitation Network's activities. The secretariat, as the manager of the Network, participated in numerous partnerships and joint initiatives with international, regional and subregional organizations and governments, some of which are mentioned above. Some of the key partnerships and joint initiatives that the Network participated in since the fifteenth session are summarized below.

Interagency Task Force on Financing for Development

39. The secretariat continued to play an active role on the Inter-Agency Task Force on Financing for Development, including in the joint development of a methodology for developing integrated national financing frameworks and a thematic chapter on financing resilience for the publication *Financing for Sustainable Development Report 2021*.

Forest Landscape Restoration

40. As part of the Collaborative Partnership on Forests joint initiative on fostering partnerships to build coherence and support for forest landscape restoration, the Global Forest Financing Facilitation Network continued to provide support to two countries, Guinea-Bissau and Thailand, on the development of national forest financing strategies and project proposals for mobilizing financing for forest landscape restoration. The secretariat is participating in the FAO-led Task Force on Best Practices for the United Nations Decade on Ecosystem Restoration, in collaboration with many other partners. The secretariat participated in virtual workshops on forest landscape restoration in the Caucasus and Central Asia, organized by the United Nations Economic Commission for Europe and the International Union for Conservation of Nature and Natural Resources and held in July and December 2020. The secretariat provided information on financing

opportunities for forest landscape restoration from all possible sources. It has since received a request for support from one of the countries and will initiate support in 2021.

Global Mechanism of the Convention to Combat Desertification

41. As part of a United Nations Forum on Forests-Convention to Combat Desertification memorandum of understanding, which was aimed at developing and implementing targeted joint activities related to sustainable land and forest management to improve the conditions of affected ecosystems, including for achieving land degradation neutrality (target 3 of Sustainable Development Goal 15), the Global Forest Financing Facilitation Network and the Global Mechanism of the Convention are collaborating to provide joint support to the Commission for the Forests of Central Africa and Malawi. The support is focused on designing land- and forest-based transformative projects and developing project proposals to mobilize financial resources to enhance the role played by land and forests in climate change mitigation and adaptation. The support includes capacity-building and technical assistance in the design of Green Climate Fund project concept notes and is focused on achieving forest landscape restoration and land degradation neutrality. Special emphasis is being placed on designing projects that are transformative and gender-responsive.

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

42. The work of the Global Forest Financing Facilitation Network is funded mainly from extrabudgetary resources provided through the Forum trust fund. Since January 2020, the secretariat has mobilized \$295,540.00 from the regular programme of technical cooperation of the United Nations, \$84,858.00 from the Peace and Development Fund of the Department of Economic and Social Affairs and \$314,990.00 from the voluntary contribution of the Government of China. Continued extrabudgetary resources, including contributions from donor countries, are required to support the activities of the Network during the quadrennial programme of work of the Forum for the period 2021–2024 and to cover the costs associated with the development and maintenance the Network clearing house.

V. Progress report on the development of the clearing house

43. Following the guidance provided in resolution [2020/14](#), the secretariat continued to develop the first phase of the clearing house, which comprises a website and three databases, namely funding opportunities, information and learning materials for obtaining access to resources and lessons learned and best practices. The clearing house website was developed using an existing platform, Unite Web, hosted by the United Nations. In addition to its reliability and security compared with platforms outside the United Nations, Unite Web was the most cost-effective option. On the basis of the existing functions of Unite Web, the secretariat developed the website shell into the clearing house website and constructed a search portal on the website for three databases. In the process, several search functions that were not yet available on Unite Web but were required for the first phase of the clearing house were identified. The secretariat worked with United Nations in-house information technology experts to develop and customize the features to complete the clearing house website and search portal. At the time of preparation of the present note, the secretariat planned to invite Collaborative Partnership on Forests member organizations and other relevant organizations to review relevant substantive content

and the structure of the databases and provide suggestions for further improvement before the official launch of the website, at the sixteenth session of the Forum.

44. For the database on financing opportunities, the secretariat reviewed relevant existing databases, which revealed that they varied in focus and categories of information collected, depending on their own purposes. Most of the databases had limited information or were not focused on forests. Thus, identifying very limited but relevant information in multiple data sources for inclusion in the clearing house databases proved challenging. The secretariat compiled initial information from the most relevant databases and publications, including the Collaborative Partnership on Forests online source book for forest financing; the UNDP International Aid Transparency Initiative; the Organization for Economic Cooperation and Development Climate Fund Inventory, 2015;² the Nationally Determined Contributions Partnership;³ the website Climate Funds Update;⁴ Development Aid;⁵ Devex;⁶ and Mapping Forest Finance, 2018.⁷ Additional information was then collected and compiled from the websites of the funding institutions, taking into account the format proposed during an expert group meeting of the clearing house held in Geneva in November 2019.⁸ In this respect, information on funding institutions contains brief introductions to their organizational profile, financing instrument, project scale, recipient countries/regions, eligibility criteria and application guidelines.

45. To ensure the accuracy of the compiled information, the secretariat verified it with the funding institutions before publishing it on the clearing house website. To increase the effectiveness and regular updating of the information in the database, the secretariat plans to invite the funding institutions to designate a liaison officer for that purpose. In addition, the clearing house website is equipped with the technical capability to allow funding institutions whose information has not yet been included in the database to share such information.

46. For the second database, on information and learning materials for accessing resources, and the third database, on lessons learned and best practices, initial data entries were collected from various public sources. More data are expected to be collected from other main data sources. Members of the Collaborative Partnership on Forests will be invited to nominate liaison focal points to provide data regularly to the second and third clearing house databases and provide advice on the future development of the clearing house.

47. Since the conceptual design of the first phase of the clearing house, in the second half of 2019, \$219,750 has been spent on the development and operationalization of that phase. The amount includes mainly information technology and human resource costs, which have been financed through voluntary contribution by China, Germany and Switzerland. The information technology costs include the Unite Web platform's annual hosting fee, customization fee for a search function of the website and training fee for using Unite Web. The cost of human resources includes consultancy fees for designing the content of the clearing house databases that was discussed at the expert group meeting on the clearing house in November 2019, and partial costs of an extrabudgetary post responsible for overall operationalization of the clearing house activities. The long-term budget for maintaining and updating the clearing house,

² See www.oecd.org/environment/cc/database-climate-fund-inventory.htm.

³ See <https://ndcpartnership.org/>.

⁴ See <https://climatefundsupdate.org/>.

⁵ See www.developmentaid.org/.

⁶ See www.devex.com/.

⁷ See www.forest-trends.org/wp-content/uploads/2018/04/doc_5734.pdf.

⁸ See www.un.org/esa/forests/events/unff-expert-group-meeting-on-the-clearing-house-of-the-global-forest-financing-facilitation-network/index.html.

which includes the Unite Web hosting fee, consultancy work related to the second phase, website customization fees and related staff costs, is expected to remain at almost the same level as its current one. As a result of the current liquidity situation at the United Nations, there is a freeze on recruiting staff to fill regular posts. The freeze has had a negative impact on the secretariat's ability to use its existing vacant regular posts and has resulted in its greater reliance on extrabudgetary resources to cover human resource costs in order to fulfil its important mandates.

48. The secretariat is strictly following the cost-effective principle advised by the Forum. By using Unite Web, the cost of designing and developing a new website, which would have to be in compliance with United Nations requirements for design, security and accessibility, is completely eliminated. The option also eliminates the cost of hiring an information technology expert for long-term website maintenance. Through the close coordination of staff members of the secretariat with in-house United Nations information technology experts, many customized features required by the clearing house have been provided for free. The establishment of a voluntary network of liaison officers with funding institutions, and the possible provision by the institutions of data in the window provided on the clearing house website, are measures aimed at reducing the potential costs of updating and maintaining the databases. Lifting the restrictions on the recruitment of staff for existing vacant regular posts would help the secretariat to reduce its reliance on extrabudgetary resources to cover the human resource costs of maintaining and running the clearing house.

49. Notwithstanding the measures taken related to cost-effectiveness, and given the fact that addressing current challenges takes time, the maintenance of the first phase of the clearing house and the development of the second phase depend on the provision of voluntary contributions by members of the Forum.

VI. Progress report on the proposed Forum secretariat office for the Global Forest Financing Facilitation Network in China

50. 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 and fifteenth sessions, the Forum secretariat provided updates on progress on the matter. Three rounds of consultations between the United Nations and China had been held before the fifteenth session of the Forum. In Economic and Social Council resolution [2020/14](#), the Council requested the Forum secretariat to provide regular updates with regard to the proposed Forum secretariat office for the Network in Beijing, and to provide a progress report to the Forum at its sixteenth session. Consultations held between the United Nations and China continued during the year, including at a virtual meeting held in November 2020, to address outstanding issues related to the draft host country agreement. While progress was made, further consultations are required to reach a common understanding on many issues, including the nature and scope of the activities of the proposed office. No further consultation has been conducted on the draft memorandum of understanding.

VII. Conclusions

51. Financing sustainable forest management has remained a long-standing challenge for many countries. The outbreak of the global pandemic of COVID-19 has

put an additional burden on the national budget of many countries, and international financial institutions, exacerbating the chronic financing gaps for forests.

52. Many countries continue to face major limitations to mobilizing national resources for forests and to gaining access to the resources of multilateral funding institutions. A lack of access to information on funding opportunities adds to the complexity of the situation.

53. Addressing the challenges associated with financing sustainable forest management requires the collaborative, long-term and consistent efforts of all key players at all levels. The Global Forest Financing Facilitation Network has the potential to assist countries in dealing with some of those challenges by facilitating access to information on forest financing opportunities; developing country capacities in, and training for, project preparation; and increasing familiarity with the procedures of multilateral institutions, the preparation of national forest financing strategies and the process of supporting countries in advancing the implementation of their voluntary national contributions. Predictable resources and the constant review of the impacts of the work of the Network are required to increase the Network's efficiency and its support to countries during the quadrennial programme of work for the period 2021–2024.

VIII. Suggestions for follow-up actions

54. The following points are suggested for discussion during the sixteenth session of the Forum:

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

(b) Welcome contributions to the United Nations Forum on Forests trust fund from donor countries in support of the Network and invite members of the Forum, and others in a position to do so, to provide voluntary contributions to the trust fund to scale up the activities of the Network, including its clearing house;

(c) Consider holding an intersessional workshop or, if there is an interest, a country-led initiative, to discuss the impacts of current Network support to countries, as well as the means to further increase access to financing for sustainable forest management and the efficiency of the Network.