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A New Climate For Forests

GEF Action on Sustainable Forest Management



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

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Table of Contents

Preface by Monique Barbut	iv
Foreword by Jan L. McAlpine	vi
Introduction	1
The Global Relevance of Forest Ecosystems	1
The Importance of Forests in Climate Change Mitigation and Adaptation	2
Enhancing Financial Flows to Forests: The REDD Opportunity	3
A Plethora of New Funds	5
Forests as Providers of Multiple Benefits	6
The GEF's Investment in Forests	8
The GEF's Historical Contribution to Forest Conservation and Management	8
The GEF's Sustainable Forest Management Program	9
Looking Ahead: Potential Roles for the GEF	15
REDD-Related Actions under a Multiple-Benefits Investment Framework	15
Comparative Advantages of the GEF	15
Forest Conservation and Management Strategies: The Outlook for the GEF	16
Annex 1: Program Framework for Projects Falling under the GEF Strategy for Sustainable Forest Management (Summary)	18
Abbreviations	20
About the GEF	inside back cover

Preface

Forests have finally taken center stage in the global environmental arena. That this has been long in coming is remarkable, as the importance of forests — for people, ecosystem services, and biodiversity—has been known for a long time. Some 80 percent of the planet's biodiversity is believed to depend on healthy forest ecosystems. Tropical forests, mostly found in developing countries, are especially vital for the stewardship of global environmental goods. These forests serve as natural resource "safety nets" for hundreds of millions of poor people, and sustain nearly 2,000 indigenous cultures that depend on them. Given all this, it is frustrating, even shameful, that more than half of the world's forests perished before international concern mounted to where it is today.

What has triggered this change? Undoubtedly, the recognition that human-induced climate change is fully underway was the turning point that catapulted the environment onto development and international assistance agendas. Energy production, particularly the burning of fossil fuels, is surely the primary cause for global warming. However, as all sources of emissions and associated responses to climate change came under scrutiny, scientists realized that some 20 percent of all CO₂ emissions are derived from activities related to deforestation and forest degradation. This figure exceeds the entire contribution of the global transport sector.

In short order, economists took notice of this finding and proposed that avoiding deforestation and forest degradation could constitute one of the most cost-effective strategies to mitigate greenhouse gas emissions. This strategy is now being seriously considered by the United Nations Framework Convention on Climate Change (UNFCCC) for the post-2012 regime, particularly under the framework of REDD (Reduced Emissions from Deforestation and Degradation). According to some estimates, REDD strategies could mobilize billions of badly-needed dollars for forest conservation and management in developing countries. We are very excited about this possibility, and we want to help make it happen. At the same time, we are also deeply concerned that many other vital benefits provided by forests may be neglected.

The GEF functions as operating entity of the financial mechanism of the three major multilateral environmental accords (UNFCCC, CBD, and UNCCD) relevant to the future of forests. Therefore, the GEF has considerable potential to become a central financing institution under a post-2012 climate agreement, and to contribute to the forest conservation and management objectives across all conventions.



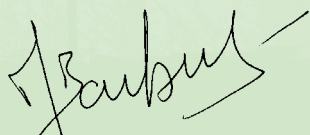
This conviction is based on our history as the largest funding mechanism contributing to forest conservation and management. It has provided us a rich body of experience in financing forests stewardship in a multitude of political, social, and ecological contexts, and profound experience in financing environmental initiatives, including projects on conserving biodiversity, sustainable forest management, climate change, and combating land degradation.

Since our creation, we have funded more than 300 forest projects, contributing US\$1.5 billion of our own resources, complemented by more than US\$4.5 billion in cofinancing. These projects have had significant impact—conserving globally relevant biodiversity, promoting the sustainable use of forests, and maintaining ecological functions on which local people depend. Through these efforts, the carbon stored in tens of millions of hectares of forests was prevented from polluting the atmosphere.

Perhaps more than any other existing institution, the GEF has already successfully experimented with financing projects and programs that seek to generate multiple benefits from forests. We have made important strides in integrating natural resource management with climate change investments. This intellectual capital might prove vital to ensure that strategies such as REDD do not end up missing the trees, the ecosystem services, the biodiversity and the local people for the carbon that forests contain. The increasing awareness of forests and their potential to mitigate climate change provides a historic opportunity to counteract environmental degradation while directly promoting sustainable development.

This publication is intended to shed light on our experience—perhaps the best-kept secret in the forest financing arena worldwide. It also puts forward guiding ideas on how to build on our comparative advantages in financing forests in the coming years, as these invaluable, threatened resources occupy center stage in multiple international agendas.

Ultimately, this publication is a testimony that we are prepared and stand ready to work together with our partners and client countries in this momentous effort.



Monique Barbut

Chairman and CEO, Global Environment Facility

Foreword

We live in an increasingly interconnected and interdependent world, in which economic, social, environmental, and cultural boundaries and impacts are difficult to define. In this global commons, forests represent a truly unique natural resource, covering nearly 30 per cent of our planet's land area. They help counter climate change, protect biodiversity, and ensure the livelihoods of billions.

Though there is growing public recognition of the benefits of these ecosystems, they are increasingly under threat from the deforestation of nearly 13 million hectares every year and from unsustainable management. Concurrently threatened are the livelihoods, and even the lives, of the people who labor within these forests to harvest fuelwood and other products. In total, more than a billion people depend on forests for their basic subsistence needs. It is estimated that some 1.8 billion cubic meters of wood are harvested annually for fuelwood, with women doing most of the work.

Sustainable forest management has long been a goal of the global community, dating back to the 1992 United Nations Conference on Environment and Development (UNCED). In 2000, the United Nations Forum on Forests (UNFF) was established to promote the management, conservation, and sustainable development of all types of forests, and to strengthen long-term political commitment to this end. The Forum has universal membership, and is composed of all Member States of the United Nations and specialized agencies.

In 2007, the UNFF adopted a landmark non-legally binding instrument on all types of forests (the forest instrument). It was subsequently adopted by the UN General Assembly in December of that year, reaffirming international commitment to achieve the four shared Global Objectives on Forests, and to work toward achievement of these goals by 2015.

The Global Objectives identify a range of priority issues: reversing loss of global forest cover; enhancing global forest-based economic, social, and environmental benefits; increasing the global area of protected forests. The fourth objective specifically addresses the issue of financial resources. It calls for reversing the decline in official development assistance for sustainable forest management, and for mobilizing increased financial resources for the implementation of sustainable forest management practices.

The upcoming eighth session of the UNFF in April 2009 will discuss the issue of financing under the broader theme "means of implementation," and will decide on the possible development of a voluntary global mechanism for financing sustainable forest management. Such financing is viewed as a cornerstone of effective implementation of the forest instrument and the achievement of global objectives.



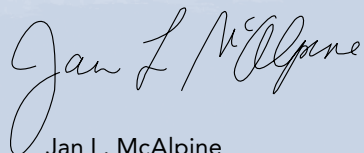
Many of the environmental services that forests provide can generate financing. In recent years, amid growing concerns over mitigating climate change, carbon sequestration by forests has gained attention. We have seen the Reducing Emissions from Deforestation and Degradation in Developing Countries (REDD) initiative generate interest in forests and forest finance in the context of the climate change negotiations.

In the current market and policy environment, sustainable forest management is often still less profitable than unsustainable management practices. The UNFF has recognized that substantial financial resources are needed to address these challenges, and that current flows in forest financing, while significant, are not sufficient. Sources of funding are often fragmented and rarely cover the full breadth of sustainable forest management activities.

Over the past two decades, the Global Environment Facility (GEF) has expanded its forest-related activities from an initial focus on biodiversity to integrated ecosystem management, land degradation, sustainable land management, and most recently, sustainable forest management. With an outlay of over US\$1.5 billion in forest-related projects, the GEF offers a substantial one-source investment resource. However, while the GEF's Sustainable Forest Management (SFM) program represents a more comprehensive and coordinated approach to forest financing, opportunities still remain to broaden the focus to include all themes and aspects identified as priority areas by the global community, and as outlined in the forest instrument.

We have been privileged to work in close cooperation with the GEF Secretariat as members of the Collaborative Partnership on Forests (CPF) and through the Advisory Group on Finance. The GEF Secretariat's contributions to the preparations for the discussion on forest finance at the UNFF's upcoming session have been truly invaluable. We would like to congratulate the GEF for the production of this timely publication, which showcases its technical expertise in forest financing and overarching commitment to sustainable forest management.

We stand at a crossroad, faced with environmental and economic challenges that seem daunting, but emboldened by the conviction that by working together, we can reverse the loss of forests, improve the livelihoods of forest-dependent people, and stave off—even push back—the effects of climate change. This publication is a reflection of that partnership to safeguard our world's forests.



Jan L. McAlpine

Director, United Nations Forum on Forests Secretariat



Introduction

The Global Relevance of Forest Ecosystems

Forests cover almost 4 billion hectares, or 30 percent, of the world's total land area. They are found virtually everywhere, from the northern taiga to the humid tropics. The broad variety of forest types—in tropical, sub-tropical, Mediterranean, temperate, and boreal regions— together account for two-thirds of all terrestrial ecoregions. They provide a wide range of environmental services, including biodiversity conservation, water supply, carbon sequestration, flood control, and protection against soil erosion and desertification.

Equally important, forest ecosystems contain at least an estimated 80 percent of the earth's biodiversity. Tropical forests are particularly rich in species. While covering only about 10 percent of the total terrestrial surface, they correspond to approximately 50 percent of the area covered by world's forests, and are home to considerably more than 60 percent of all terrestrial and freshwater biodiversity.

Worldwide, about 10 million people are employed in forest management and conservation. It is estimated that 1.6 billion people— including more than 2,000 indigenous cultures—depend on forests for their livelihoods. In addition to food and shelter, forests offer a wide range of marketable wood and nonwood products, such as timber, fuelwood, fruits, nuts, and medicinal plants. In 2004, forest products accounted for about US\$327 billion, or 3.7 percent of international trade in commodities. In many regions, people also associate spiritual, cultural, and religious values with forests or use them for recreation and leisure.

Although forests are increasingly being recognized for their environmental, social, cultural, and economic value, global deforestation rates remain high. Approximately 13 million hectares of forest are lost every year.^{1,2} Deforestation rates are particularly high in tropical countries. And though forest cover in industrial countries has reportedly exhibited some expansion during the last decade, a large portion of remaining forest ecosystems is heavily degraded. It is estimated that only about 21 percent of the world's forests are still intact (Figure 1).³

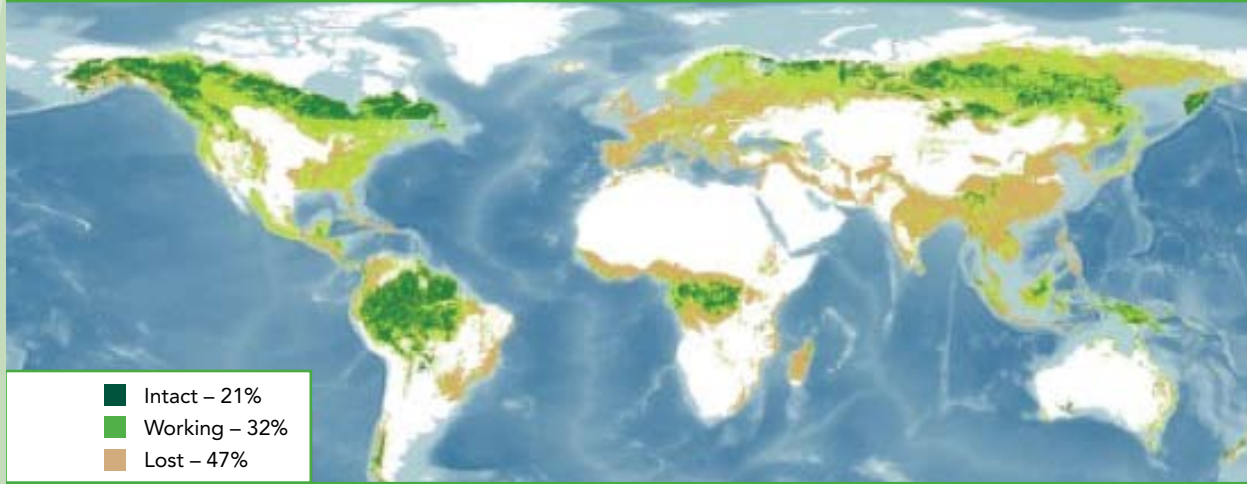
Protected areas are considered one of the most efficient and cost-effective options for conserving forests. This land-use zoning and management tool will therefore continue to play a key role in the future. At the same time, the concept of Sustainable Forest Management (SFM) is evolving to become an all-encompassing framework across all types of forest use. According to the United Nations Forum on Forests, SFM is a dynamic concept that aims to maintain and enhance the economic, social, and environmental values of forests, for the benefit of both present and future generations. In densely populated areas, and where many people heavily depend on forests for their income, SFM might be of particular interest because it allows the use of a wide range of forest products while addressing the pressure on forest resources. Despite this potential, many developing countries still lack the capacity to efficiently implement SFM on a larger scale. To raise awareness of SFM's role in the conservation and development of forest ecosystems, the United Nations declared the year 2011 as the International Year of Forests.

¹ Much of the data in this section is extracted from: FAO. State of the World's Forests 2007. <http://www.fao.org/docrep/009/a0773e/a0773e00.HTM>

² Much of the data in this section is extracted from: FAO. Global Forest Resources Assessment 2005. <ftp://ftp.fao.org/docrep/fao/008/A0400E/A0400E00.pdf>

³ Potapov, P. et al. 2008. Mapping the world's intact forest landscapes by remote sensing. *Ecology and Society* 13(2): 51. <http://www.ecologyandsociety.org/vol13/iss2/art51/>

FIGURE 1 The State of the World's Forests



Source: World Resources Institute (WRI)

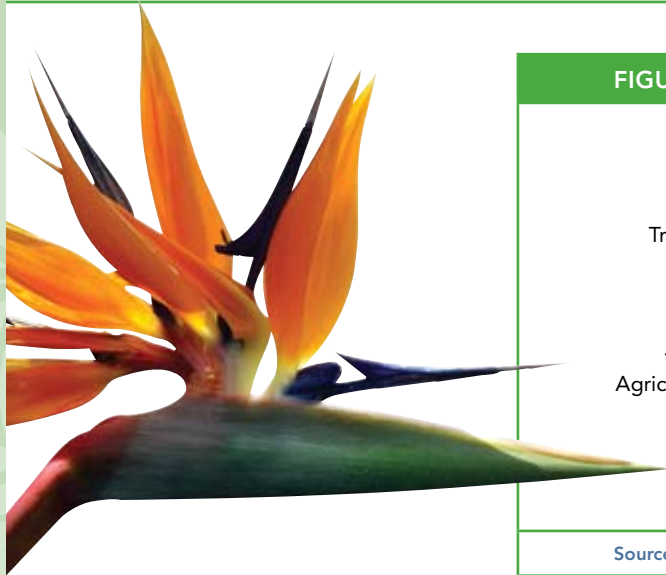
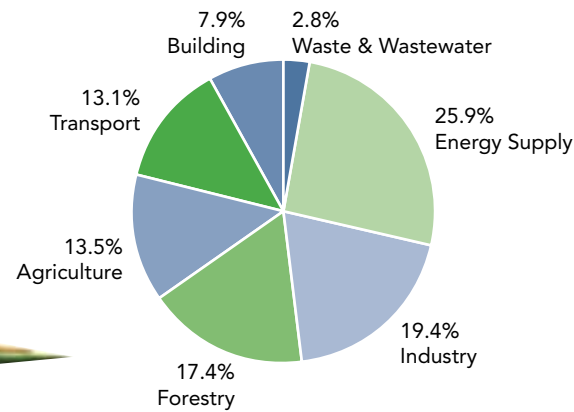


FIGURE 2 GHG Emissions by Sector in 2004



Source: IPCC (2007). The Fourth Assessment Report. Geneva, Switzerland.

The Importance of Forests in Climate Change Mitigation and Adaptation

Forests play a vital role in the global carbon cycle. The Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) states that deforestation contributes about 20 percent of global greenhouse gas (GHG) emissions—more than the transport sector (Figure 2). Of particular concern is the conversion and degradation of tropical forests, which accounts for approximately 90 percent of total GHG emissions from deforestation. According to the FAO, the main threats to tropical forests are rapid population growth and the associated need for farming and grazing land. Other major reasons for the destruction and degradation of tropical forests include mining, cattle ranching, overexploitation of timber, road construction, and the production of biomass for biofuels.⁴



⁴ FAO. *Unasylva* – No.137. Monitoring the Tropical Forests: The First Step. <http://www.fao.org/DOCREP/P8250E/p8250e00.htm>

On a global scale, forest ecosystems are estimated to contain about 80 percent of above-ground and 40 percent of below-ground terrestrial carbon. At present, there is more carbon stored in forests than in earth's atmosphere, and their role as important carbon reservoirs has gained remarkable attention in the global climate change discussion over the past two years. Today, there is consensus that "any future climate deal that does not fully integrate forestry will fail to meet the necessary targets."⁵ The IPCC defines climate change mitigation as "an anthropogenic intervention to reduce the sources or enhance the sinks of greenhouse gases." SFM, including forest conservation, is increasingly recognized as an effective tool to mitigate climate change at comparatively low costs. It has the potential to contribute to the reduction of GHG emissions in several ways:

- Forest protection and sustainable use schemes help reduce emissions from deforestation and degradation, effectively and at relatively low cost.
- Growing trees take up carbon through photosynthesis, which is then stored in tree biomass, dead wood, litter, and the soil.
- Fuelwood from sustainably managed forests can be used as a carbon-neutral energy source for cooking and heating, thereby replacing the burning of fossil fuel.

- The processing of wood for furniture and construction enables carbon to be stored for many years.

Developed countries have been responsible for more than 70 percent of total greenhouse gases emitted since the Industrial Revolution. It is sobering that developing countries, whose economies are highly dependent on the use of natural resources, are expected to suffer most from the negative impacts of climate change. This is just one reason why adaptation measures have also come to the forefront. The IPCC defines adaptation as "initiatives and measures to reduce the vulnerability of natural and human systems against actual or expected climate change effects." Forest ecosystems could play a key role in helping people in developing countries to adapt to and be buffered from expected climate change impacts. In this context, healthy forests increase the resistance of ecosystems to climate change by stemming land degradation, for example, and protecting watersheds against severe drought events and landslides. In addition, sustainably managed forests provide wood and nonwood products that particularly benefit small-scale forest owners and forest-dwelling people.

To assure the long-term provision of environmental services, forests themselves will have to adapt to changing climatic conditions. According to the

IPCC, the frequency and severity of drought periods, insect outbreaks, forest fires, and wind damage are expected to increase as a consequence of climate change. Tropical, boreal, and mountain forests are expected to be particularly affected by global warming. A severe increase in tree die-outs has been reported across North America, a phenomenon primarily attributed to climate change. In many arid and semi-arid regions, climate change-driven desertification, combined with unsustainable human activities, has already led to considerable forest and tree declines. Efforts to enhance the potential of forest biodiversity to adapt to climate change will be of crucial importance to the long-term maintenance of environmental, social, and economic functions of forests.

Enhancing Financial Flows to Forests: The REDD opportunity

Forests are vital at the local, national, and international levels, especially to people who are dependent on their ecosystem services. The 2007 IPCC report highlighted our increasing understanding of the potential of forests for climate change mitigation and adaptation, and brought SFM into much sharper focus on the international environmental agenda. The report not only refers to the contribution of deforestation

⁵ Stern, N. (2008). "Key Elements of a Global Deal on Climate Change." London School of Economics and Political Science, London, United Kingdom.



and forest degradation to GHG emissions, but also highlights that activities in LULUCF (Land Use, Land Use Change and Forestry) can make a very significant contribution to low-cost global climate change mitigation interventions.

The first climate agreement to the United Nations Framework Convention on Climate Change (UNFCCC), the Kyoto Protocol, considers afforestation and reforestation efforts in developing countries under its Clean Development Mechanism (CDM). However, until now, less than 1 percent of all approved CDM projects have dealt with afforestation or reforestation. “Reduced deforestation” was purposely excluded from the 2008–12 commitment period because of concerns about sovereignty, dilution of fossil fuel reduction targets, and methodological hurdles in accounting for emissions reductions.

Reducing emissions from deforestation and forest degradation (REDD) was first discussed as an agenda item at the 11th Conference of the Parties (COP 11) to the UNFCCC in Montreal in 2005. Two years later, a mandate was agreed, which includes a variety of REDD-related actions by Parties in developing countries. The mandate called for strengthening pilot efforts, building capacity, and fostering technical assistance, in addition to support for demonstration projects to address drivers of deforestation and enhance forest

carbon stocks due to sustainable management of forests. At COP 13, held in Bali in December 2007, several developing countries strongly emphasized the need to include financial incentives for the conservation and sustainable use of forest resources in a successful post-2012 agreement. After intense negotiations, the parties agreed, in the Bali Action Plan, to “Enhanced national/international action on mitigation of climate change, including, inter alia, consideration of...policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries.”

The Bali Action Plan also highlights the roles of conservation, afforestation, and sustainable management of forests in developing countries. Leading up to COP 15, which will take place December 7–18, 2009 in Copenhagen, the Subsidiary Body for Scientific and Technological Advice (SBSTA) of the UNFCCC has been tasked to elaborate proposals suggesting how REDD could be incorporated into the future climate change regime. It is likely that developing countries will be provided financial incentives to reduce their emissions, compared to a “business as usual” baseline scenario, from deforestation and forest degradation.

Donors are already mobilizing significant additional resources to help sustainably manage forests in developing countries in the context of LULUCF and REDD. The key challenges to the success of these strategies include the generation of reliable baseline scenarios, the establishment of a credible system for monitoring, assessment, and verification, and provision of sufficient new and additional funding. In most developing countries, there is a lack of reliable data on forests, including deforestation rates. Accordingly, capacity to monitor and report changes in forest area, forest quality, and carbon stocks at national levels will be a prerequisite for all participating countries.

It will be crucial that the financial incentives provided by the new funding lines meet or exceed the opportunity costs of deforestation and forest degradation. For example, the total estimated annual costs for REDD range between US\$5 billion and US\$20 billion.

A Plethora of New Funds

The outcome of the Fourth Assessment Report of the IPCC, combined with the agreement on the Bali roadmap, have prompted substantial financial commitments to LULUCF and REDD. Over the past two years, more than 16 international funds

for climate change mitigation and adaptation—mainly multilateral and bilateral—have been established, of which no fewer than six focus on avoiding deforestation in developing countries.⁶ The World Bank's Forest Carbon Partnership Facility (FCPF) and the GEF's Sustainable Forest Management Program (with the associated Tropical Forest Account) are multilateral funding windows addressing activities around LULUCF, including REDD frameworks. The United Nations Reduced Emissions from Deforestation and Forest Degradation (UN-REDD) Programme has emerged as a collaboration between FAO, UNEP, and UNDP, and is organized around a multidonor trust fund dedicated to financing activities to avoid deforestation in developing countries. So far, Norway has been the sole donor to this fund.

More substantively, Norway has launched an International Climate and Forest Initiative, pledging up to US\$600 million annually to selected countries for performance-based compensation schemes associated with deforestation reduction targets. Australia, in turn, announced a Global Initiative on Forests and Climate, and the United Kingdom established the international window of the Environmental Transformation Fund, which, to some degree, is also poised to provide resources for REDD-related activities.

In November of 2007, the GEF Council approved a dedicated SFM program. This was later complemented by resources from the Tropical Forest Account, designed to incentivize countries in the Amazon and Congo Basins, and in the New Guinea and Borneo regions, to combine their country allocations in biodiversity, land degradation, and climate change mitigation toward comprehensive projects and programs in these regions.



⁶ Much of the information of this section is extracted from: WWF and Heinrich Boell Foundation, 2008. *New Finance for Climate Change and the Environment*. Eds.: G. Porter, N. Bird, N. Kaur and L. Peskett. http://assets.panda.org/downloads/ifa_report.pdf



Forests as Providers of Multiple Benefits

Recognition of the huge potential of forests in mitigating GHG emissions opens substantial prospects for the establishment of major finance lines to a sector that has been historically overlooked. There are, however, very important considerations that need to be taken into account to minimize risks to other forest-related objectives. All efforts directed toward conservation and sustainable use of forests must consider, from the outset, the need to reinforce the multiple benefits these ecosystems provide. Failure to do so may create unanticipated tradeoffs with important objectives.

For example, tropical deforestation is responsible for some 20 percent of global CO₂ emissions, and emissions from such deforestation are now expected to increase the atmospheric CO₂ concentration by 29 to 129 p.p.m. within 100 years, far above prior estimates.⁷ If in the short and medium term, forest-related GHG emissions are to become central to the international environmental policy and global stewardship debate, the risk in the long term is that the importance of tropical forests as a repository of irreplaceable biodiversity might be compromised. Tropical forest ecosystems are intimately tied to the future of biodiversity, as they harbor over one half of all unique global terrestrial biodiversity, including 74 percent of

threatened mammals, 44 percent of threatened birds, 57 percent of threatened amphibians, and 67 percent of threatened reptiles. Finally, carbon stocks are dynamic assets that can be rebuilt over time, while the loss of biodiversity represents the total and permanent liquidation of that resource.

Forests also represent safety nets for hundreds of millions of poor people globally, and constitute the last safe havens for some of the last pristine indigenous cultures. As resources dwindle and the agricultural frontier expands globally, pressure to convert tropical forests will increase. Tropical forests have already been affected by large-scale degradation and fragmentation, with only 43 percent

⁷ IPCC 2007. Climate Change 2007: The Physical Science Basis—The Fourth Assessment Report. Geneva, Switzerland. <http://www.ipcc.ch/ipccreports/ar4-wg1.htm>

of their original area remaining. Preventing tropical deforestation is therefore a foundation of poverty reduction strategies, as these forest ecosystems ensure the long-term provision of environmental and associated livelihood services.

Because of the multiple dimensions of forests, from the perspective of threats as well as the provision of benefits across a variety of themes, efforts to promote sustainable land management, conservation of biological diversity, and climate change mitigation and adaptation must be coherent and complementary. Furthermore, as many of the underlying causes of forest degradation and deforestation occur outside the sector, problems in the forest sector cannot be discussed in isolation.

As a final cautionary note, countries with high forest cover and low rates of deforestation are at risk of being omitted from the international climate policy framework on REDD. This is a consequence of recently created funding mechanisms concentrating heavily on emissions-reduction outcomes, which can be achieved primarily in countries with high deforestation and degradation rates. Therefore, other incentive measures, including those addressing multiple benefits provided by forests, must also be brought to bear to prevent perverse incentives to trigger deforestation activities in High Forest, Low Deforestation (HFLD) countries.⁸



⁸ Fonseca, G. A. B. et al. 2007. No Forest Left Behind. *PLoS BIOLOGY* 5, Issue 8 e216. <http://0-biology.plosjournals.org.ilspod.lib.neu.edu/perlserv/?request=get-document&doi=10.1371/journal.pbio.0050216&ct=1>

The GEF's Investment in Forests

The GEF's Historical Contribution to Forest Conservation and Management

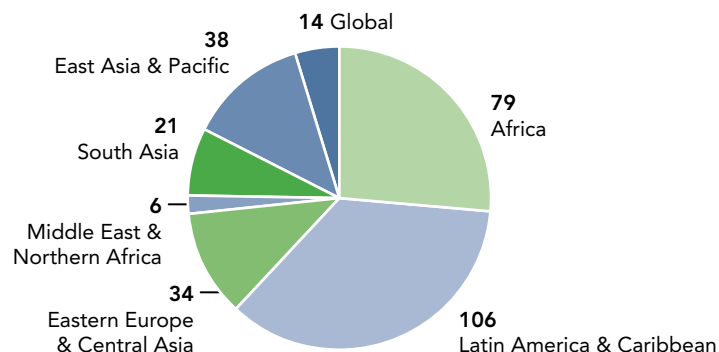
The UNFCCC, the CBD, and the UNCCD all emphasize the importance of the conservation, sustainable use and management of forests in achieving their respective Convention objectives. As operating entity of the financial mechanisms for all three Conventions, the GEF has since 1991 supported more than 300 projects and programs

that focus on various actions dealing with forest conservation and management in developing countries.⁹ Africa, and Latin America and the Caribbean, have been particularly well covered (Figure 3). During the same period, the GEF has allocated approximately US\$1.5 billion to forest initiatives, supplemented by more than US\$4.5 billion in cofinancing. As Figure 4 indicates, the GEF has continuously increased its financial flows for forest-related activities throughout its successive replenishment periods.

Drawing on guidance from the related conventions, from its eligibility criteria, and from associated strategic programs, the GEF has funded projects that can be broadly classified into three categories:

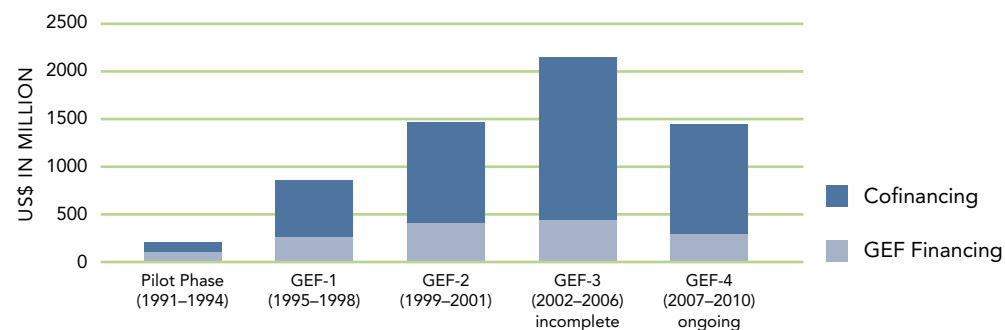
- Forest conservation (primarily protected areas and buffer zones)
- Sustainable use of forests (forest production landscapes)
- Sustainable forest management (addressing forests and trees in the wider landscape)

FIGURE 3 Number of GEF-Funded SFM Projects by Region 1991–2008



Source: GEF.

FIGURE 4 GEF Support to Sustainable Forest Management



Source: Source: GEF.

Note: The bars for GEF-4 include funding for 2007 and 2008 only.

⁹ this figure does not include projects focusing on either energy production from biomass or energy efficiency through e.g. dissemination of cookstoves.

Figure 5 shows that historically, most of the GEF's investments were dedicated to forest conservation.¹⁰ However, with the recent approval of the GEF SFM Program, investments in the latter two categories have increased considerably.

The GEF's Sustainable Forest Management Program

Both the threats to forest ecosystems and the opportunities for forest conservation and sustainable management can arise from a multitude of sectors, including agriculture, global commodity markets, and infrastructure and energy development. To reduce negative impacts from

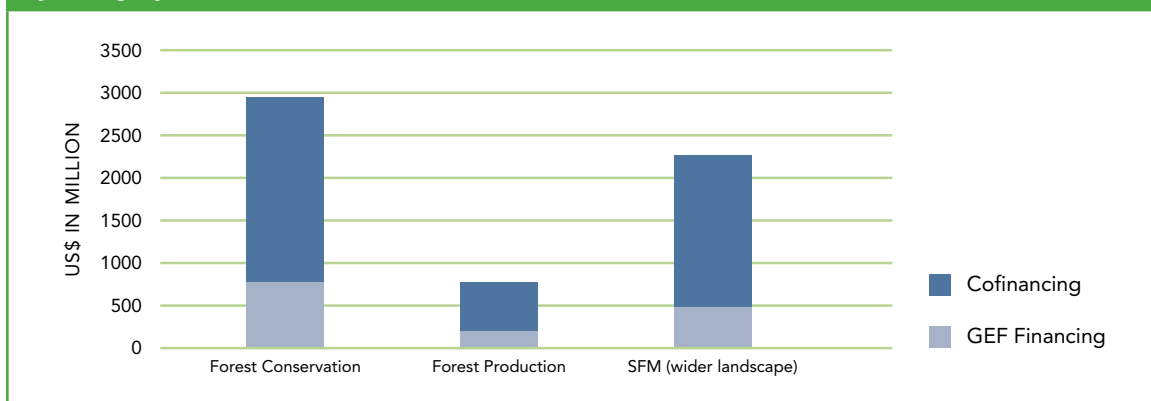
agriculture, livestock, and energy production on forest resources, close collaboration with these and related sectors is essential.

Until 2006, GEF support for projects focusing on SFM was mostly promoted under the GEF focal areas of biodiversity and land degradation. However, since 2007, in response to the growing international attention given to forests, the GEF has further increased and broadened its SFM efforts. The inclusion of LULUCF into the GEF-4 Climate Change Strategy has allowed recipient countries to use GEF resources to develop policy frameworks to slow the drivers of undesirable land-use changes and to pilot projects to reduce emissions from deforestation.¹¹ In addition, it

BOX 1 The SFM Program and the Tropical Forest Account

In December 2007, the GEF launched its SFM Program. Soon thereafter, the organization developed the concept of a Tropical Forest Account (TFA), drawing from GRE (Global and Regional Exclusion) resources originating in the focal areas of biodiversity, land degradation, and climate change. These resources were to be used as additional incentives for countries in the three regions of large and mainly intact tropical forests (Amazonia, the Congo Basin, and Papua New Guinea/Borneo) to place their allocations towards projects seeking multiple benefits from forest management and conservation. Altogether, the 17 countries in the target regions account for 54 percent of tropical forest cover, containing 68 percent of tropical forest carbon. In addition, they are home to more than 40 percent of tropical endemic mammals, birds, and plants. The TFA potential could amount to US\$50 million through the end of GEF-4. Additional resources derive from cofinancing. The rationale behind the TFA is that efforts to reduce deforestation in regions of large and mainly intact tropical forests are considered to be more promising and cost-efficient than those focusing on reforestation in countries where forest has already been lost or degraded on a large scale. By incorporating funding and knowledge from three GEF focal areas, the TFA also benefits from early action on REDD-related approaches that aim to create multiple environmental and social benefits. The TFA was designed as a SFM experiment that can be transferred into GEF-5 (2010–13).

FIGURE 5 GEF Funding and Cofinancing of SFM Projects and Programs since 1991, by Category



Source: GEF.

¹⁰ Much of the data of this section is derived from: GEF, 2005. GEF Activities Related to Forests. http://thegef.org/Documents/Council_Documents/GEF_C27/C.27.14_GEF_Activities_Related_to_Forests.pdf

¹¹ GEF, 2007. Climate Change Focal Area Strategy and Strategic Programming for GEF-4. http://www.gefweb.org/uploadedFiles/Policies/Focal_Area_Strategies/GEF_4_strategy_CC_Oct_2007.pdf

BOX 2 Capacity Development for Climate Change Mitigation through Sustainable Forest Management in non-Annex I Countries

Background

At the thirteenth session of the Conference of the Parties to the UNFCCC (COP13), the Parties adopted the Bali Action Plan. It calls for consideration of policy approaches to REDD in developing countries, and requires those countries to address REDD issues and mainstream SFM into their national climate change strategies. However, most non-Annex I countries cannot address these issues because they lack both nationwide data on forest carbon stocks and the technical capacities to generate or analyze such data. Moreover, financial instruments that could incentivize developing countries to address REDD issues are yet to be established.

In order to establish such incentive mechanisms for developing countries, many REDD initiatives are currently under preparation. These initiatives include the Forest Carbon Partnership Facility (FCPF) and the UN-REDD Programme. The FCPF was launched by the World Bank at COP 13 in response to a request from the G8 Heiligendamm Summit to develop and implement a forest carbon partnership. Similarly, the UN-REDD Programme is a collaboration of FAO, UNEP, and UNDP that will operate a multidonor trust fund for REDD financial mechanisms.

Overview of the project

The project aims to develop capacities of non-Annex I countries to address REDD issues in the context of sustainable forest management. The following activities aim to enhance capacities of key technical personnel to secure new financing sources for sustainable forest management through REDD mechanisms:

- Raise understanding of national GHG inventories and enable technical personnel to monitor and report GHG emission change from the land-use area with IPCC methodologies
- Help countries review and propose various methods of using historical data and making future projections on emissions so they can build a reference scenario
- Promote sharing of national experiences among non-Annex I countries in the creation of an enabling framework for REDD, including legislation, institutions, and incentive design, drawing on past SFM experience that may serve as a basis for the REDD mechanism

As the GEF agency, the World Bank will execute these activities through its management team of the Forest Carbon Partnership Facility. This team is mandated to maintain close cooperation with key stakeholders involved in REDD issues, in particular the Coalition of Rainforest Nations and the German Technical Cooperation (GTZ). The FCPF is also expected to build a cooperative relationship with the UN-REDD Programme in the context of this project.

Value-added of GEF involvement in the project

The GEF's involvement creates an opportunity to build on the SFM knowledge base it has accumulated, taking it to the level of the international debate on forest-carbon financing mechanisms. In particular, through this project, the GEF will help contribute to the preparation and implementation of the FCPF and UN-REDD programs, applying the outcomes and lessons learned from related projects, including the GEF-UNEP Carbon Benefit Project and the GEF-World Bank REDD project for the Congo Basin (Box 4). Such inputs will help recipient countries better understand the importance of establishing national financial mechanisms to address REDD issues in the broader context of SFM.

GEF Agency: World Bank

GEF: US\$1.1 million;

Cofinancing: US\$2.4 million

BOX 3 Strengthening National Policy and Knowledge Framework in Support of Sustainable Management of Brazil's Forest Resources

Background

Brazil's forests constitute 12 percent of the global forest area and store about 20 percent of global above-ground forest carbon. However, these forests are subject to heavy deforestation caused by adverse land-use changes, degradation, and devastating fires. Brazil's first National Communication to the UNFCCC estimated that these negative impacts lead to 952 Tg CO₂ annual emissions, accounting for 92 percent of Brazil's net carbon emissions.

To halt such negative trends, the Brazilian government and the international community have made considerable investments in scientific research and institutional development. However, national government capacities for policy formulation and decision making on natural resources management still remain weak. For example, Brazil has not yet established a reliable and comprehensive nationwide management system for forest resource information. Lack of coordination among state and national institutions and fragmented international support have been major weaknesses in policy formulation.

To address these issues, the government established the Brazilian Forest Service (BRS). The BRS has the mandate to coordinate and oversee forest management at the national level.

Overview of the project

This project was designed to strengthen the BRS's capacity for policy formulation and decision making on natural resources management by:

- Helping the BRS, through partnerships with relevant stakeholders, establish a national framework that will define the modalities of information management that will be the basis for SFM policy formulation
- Promoting the BRS's human resources development through creation of and training in analytical tools, databases, and other materials

- Helping the BRS collect baseline information for SFM, with particular focus on carbon emission from LULUCF

The project will also help the BRS apply the knowledge generated through the three major activities described above to reform SFM-related policies, strategies, and programs. In particular, the project aims to mainstream SFM into national development policy processes.

Value-added of GEF involvement in the project

With the GEF's support, the BRS can conduct comprehensive and indepth analyses of nationwide forest resources. It can also allocate sufficient resources to establish strong coordination mechanisms and develop its technical capacities. These will help lead reform of forestry policies and development policy processes, which will mainstream biodiversity conservation and combat adverse land-use changes. Finally, these investments will form the necessary platform for Brazil to internalize major funding opportunities provided by donors such as Norway, which aim to establish compensation schemes against performance-based targets for reduction of deforestation rates.

GEF Agency: FAO

GEF: US\$9 million;
Cofinancing: US\$43 million



opened the way for the GEF to launch a comprehensive SFM Framework Strategy across three focal areas (biodiversity, climate change, and land degradation) for its fourth replenishment period.¹²

The overall goal of GEF investments in SFM is to maintain and restore the ecological functions of all types of forests, for the benefit of present and future generations. This includes as a central component the role of forests in climate change mitigation and adaptation. With its engagement in SFM, the GEF also contributes to the achievement of the four global objectives on forests as adopted by the UNFF.

Through its SFM Program, the GEF has provided resources for pilot projects focusing on REDD, with a focus on fostering cross-sectoral cooperation. Pooling investments from different focal areas (biodiversity, climate change, and land degradation) has proven a valuable tool to harmonize interventions and maximize co-benefits of GEF-funded SFM initiatives. For example, the GEF has joined with the World Bank's Forest Carbon Partnership Facility (FCPF), and other key stakeholder groups, such as the Coalition of Rainforest Nations, in a project designed to develop capacities of non-Annex I countries for climate change mitigation through SFM (Box 2). Another GEF-funded project is expected to strengthen Brazil's national capacities for policy formulation and decision making on natural

resources management (Box 3). This upstream investment will create the platform donors such as Norway need to provide performance-based compensation for reductions in deforestation rates in key regions like the Brazilian Amazon.

The GEF's approach to SFM builds on valuable institutional knowledge and wide experience in funding a variety of actions in forests. The SFM program draws resources from three of their focal areas—biodiversity, climate change, and land degradation—thereby reinforcing strategic links, promoting synergies in action, and maximizing the delivery of multiple benefits in GEF-funded SFM interventions. Launching the SFM program allowed the GEF to finance and monitor a wider range of SFM activities in a more coherent way. Through programmatic approaches targeting forest regions such as the Congo Basin, and through individual projects in key forest countries such as Brazil, the SFM program is actively taking early action in the LULUCF/REDD arena, in particular by putting these strategies in the context of a more holistic SFM approach, thereby testing some of the options considered potentially central to the future international climate policy regime. (More information on the GEF's SFM program is presented in Annex 1.)

One such mechanism is the Tropical Forest Account (TFA), which is tested in GEF-4 and could become a more ambitious and innovative

funding mechanism for reducing deforestation and forest degradation in three regions of large, mainly intact, tropical forests (Box 1).

The GEF's SFM Program investments are directed to key forest regions and countries. For example, in November 2008, the GEF Council approved a US\$50 million programmatic SFM approach in the Congo Basin, to which the three GEF focal areas mentioned above have contributed resources. So far, the GEF's funding for this program has attracted US\$150 million in cofinancing. The initiative targets six countries: Cameroon, Central African Republic, Republic of Congo, Democratic Republic of Congo, Equatorial Guinea, and Gabon.

The GEF Congo Basin program was set up on the basis of participative planning processes in the region, which has enabled country participants to build strong ownership of the objectives of the national and regional projects while simultaneously supporting a comprehensive, collaborative framework for the region as a whole. This planning process is increasingly being cited as a good model, to be replicated in further interventions in the Congo and other regions. A US\$15 million regional project, directly associated with the Congo Basin program, will focus on capacity building and scientific research on REDD (Box 4). (More information on the Congo Basin Program is included in Box 5.)

¹² GEF, 2007. Sustainable Forest Management Framework Strategy for GEF-4. http://www.thegef.org/uploadedFiles/Policies/Focal_Area_Strategies/GEF_4_strategy_SFM_Oct_2007.pdf

BOX 4 Enhancing Institutional Capacities on REDD Issues for Sustainable Forest Management in the Congo Basin

Background

As the second largest tropical forest area in the world, the Congo Basin provides not only biodiversity but also carbon storage of global importance. The forests in this region are estimated to represent a carbon sink of 24–39Gt. Although the region's ecosystems have been well preserved compared to many other regions, their natural resources are under increasing pressure. The annual deforestation rate in the Congo Basin is estimated to be 10,000 km², or 0.6 percent. FAO 2007 statistics show that 65.9 million tons of carbon are released every year from this region.

Overview of the project

The main objective of the project is to improve the Congo Basin countries' knowledge of and capacity for REDD issues, and to help them to articulate this new concept within the broader agenda of SFM.

To achieve this objective, the project will build capacities for measurement and monitoring of carbon stocks through various types of technical assistance. In particular, the project will contribute to:

- Establish and adopt a reliable methodology to measure and monitor carbon stocks in Congo Basin forests, in line with IPCC guidelines and GEF standardized methodology
- Establish forest carbon stock baselines in all Congo Basin countries according to the new methodology¹³
- Monitor forest GHG fluxes and fully integrate them into national GHG inventories
- Reinforce scientific partnership at the regional level

In addition, the project will facilitate consultation processes and organize sensitization campaigns at local and national levels. It will foster cross-sectoral coordination and strengthen national capacities to develop sound policies to efficiently reduce pressure on forest ecosystems in the region. The project will also set up a regional platform that will be managed by the Secretariat of the Central African Forest Commission (COMIFAC). Its aim is to help the Congo Basin countries improve

coordination of their international negotiations on climate change.

Value-added of GEF involvement in the project

The GEF brings distinctive value-added to this project. First, GEF support provides COMIFAC with an opportunity to set up a regional platform that ensures coordination among Congo Basin countries, donors, and other partners. Such a platform is critically important in order to establish harmonized financial mechanisms that integrate carbon benefits from the REDD initiatives into the region-wide framework of the Strategic Program for Sustainable Forest Management of the Congo Basin. Second, this project will enable the GEF to gain experience in developing benefit-sharing mechanisms, which the organization can apply in its global SFM initiatives. This experience will be valuable to the stakeholders of the GEF's global SFM project Capacity Development for Climate Change Mitigation through Sustainable Forest Management in non-Annex I Countries. Moreover, based on such lessons, the GEF could significantly contribute to the forest-carbon related agenda at the international negotiations of the UNFCCC.



GEF Agency: World Bank (Lead)

GEF: US\$15 million;
Cofinancing: US\$14 million

¹³ Development of the GEF standardized methodology is in progress under the Carbon Benefit Project: Modeling, Measurement, and Monitoring, which is executed by the UNEP.



BOX 5 Strategic Program for Sustainable Forest Management of the Congo Basin

With 1.7 million km² of tropical forests spanning six countries, the Congo Basin is a unique reservoir of plant and animal diversity. In order to maintain the ecological integrity and resilience of the region's forest ecosystems, the GEF announced in Bali in 2007 that it will provide funding to the Congo Basin countries under its Tropical Forest Account initiative (see also Box 1). Following this announcement, in February 2008 ministers from the region endorsed the program framework and a roadmap of the GEF's strategic SFM program in the Congo Basin.

This program has identified 13 projects that will be coordinated, creating synergies that will increase their positive impact on tropical forest ecosystems. It aims to reinforce the protection and sustainable management of forest ecosystems in the Congo Basin by:

- Strengthening the regional network of protected areas to conserve key biodiversity
- Sustainably managing and using natural resources in the production landscape
- Strengthening the institutional and sustainable financing framework for sustainable ecosystem management

The program will also contribute to a long-term, innovative finance architecture for sustainable forest management in the region by supporting payment schemes for ecosystem services, public-private partnerships, and the establishment/strengthening of trust funds. In order to achieve these aims, the Congo Basin program will focus on three goals:

- Creation of a **policy, legal, and regulatory environment** that is conducive to SFM at the country and regional level (governance)
- Implementation of **concrete local-level activities** that enhance the management of forest resources, including technologies linked to sustainable harvesting of timber and nontimber products; reforestation with native tree species; removal of invasive species
- Implementation of **enabling activities** that increase countries' capacity to take on more secure ownership or tenure of investment results, such as forest/carbon inventories and monitoring of other co-benefits of sustainable forest management—including those associated with people's livelihoods

All these elements are well reflected in the Central African Forest Commission (COMIFAC) Convergence Plan, implemented and reinforced by the actions of participants in the Congo Basin Forest Partnership. The GEF program is designed as, and will be aligned with, a country-driven approach to secure the Congo Basin countries' ownership of and accountability for the "carbon assets" that may be generated through agreements within the UNFCCC.

The involvement of different GEF focal areas provides opportunities for synergetic activities in climate change mitigation, biodiversity conservation, and local livelihood security. The program builds on the network of GEF agencies and partners that contribute their expertise and cofinancing, drawing on their respective comparative advantages (World Bank, UNDP, UNEP, FAO, AFD, WWF, WCS, and CI, among others).

Looking Ahead: Potential Roles for the GEF

REDD-Related Actions under a Multiple-Benefits Investment Framework

The increasing awareness of forests and their potential for mitigating climate change provides a historic opportunity to counteract environmental degradation while promoting sustainable development. In this context, financial commitments that address LULUCF and REDD, in particular, could not only reduce GHG emissions, but also achieve these objectives at relatively low costs. Furthermore, such interventions can be customized to also address forest ecosystems co-benefits, as land-use strategies for emission mitigation can contribute to biodiversity protection, soil erosion control and, ultimately, to combating desertification. REDD can also enhance income generation in developing countries, either directly, through profits from carbon markets, or indirectly, through reflows from SFM, including ecotourism and provision of environmental services other than those related to carbon sequestration. The forest-related carbon market, however, will not provide multiple benefits on its own. Any mechanisms for REDD should therefore proactively aim to generate additional environmental benefits.



Comparative Advantages of the GEF

In its role as an entity of the financial mechanism of three international conventions directly relevant for forests (UNFCCC, CBD and UNCCD), the GEF has established solid experience in financing projects that support SFM over the past 15 years. Building on this stable platform, the GEF has accumulated significant capacity to become a central player in a post-2012 climate agreement and offers many comparative advantages as a potentially important funding source for REDD-related activities:

- The GEF receives guidance from the COP of the UNFCCC, thereby having a **global mandate** to serve member countries and support their efforts to address the causes and mitigate the impacts of climate change. The GEF also takes guidance from the CBD and UNCCD on the stewardship of forests from a range of other perspectives. In sum, the GEF is the only multilateral funding institution with mandates deriving from the three principal international accords dealing with forests. The GEF is also actively collaborating on a range of fronts with the UNFF.

- The GEF is a **partnership mechanism** uniting 178 countries, 10 GEF agencies (multilateral and regional development banks, UN agencies), international institutions, nongovernmental organizations, and the private sector to address global environmental issues by supporting projects that promote national sustainable development initiatives. Donor and recipient countries decide together on the structure, operational strategies, and funding priorities of the GEF.
- The **catalytic use of GEF resources** creates significant cofinancing opportunities. Historically, every dollar of GEF investment has averaged three dollars in cofinancing. Partnership building is at the core of any GEF-supported intervention and allows the GEF to transparently **facilitate the harmonization** of planned and ongoing activities, such as those of LULUCF and REDD in particular, in the area of climate change mitigation.
- Developing countries participating in REDD-related activities can generate **multiple environmental benefits** by incorporating components and financial contributions from other GEF focal areas, including land degradation, biodiversity, and international waters.
- The GEF provides a flexible operational framework for **financing projects and programs of different scales**, be it at the global, regional,

national, or local levels, supported by the expertise of the GEF Secretariat, the GEF agencies, the GEF Scientific-Technical Advisory Panel, and a wide range of executing partners.

- The GEF's newly approved **programmatic approach** allows entire sectors, including agriculture and forestry, to shift to a "greener" path.¹⁴

Forest Conservation and Management Strategies: The Outlook for the GEF

The fourth replenishment period of the GEF (GEF-4) has been a turning point for the facility. The renewed emphasis on SFM in the GEF implicitly recognizes that forests are an irreplaceable global good, whose value to society remains to be fully assessed. The time has come to build a more ambitious agenda that reflects the GEF's experience and roles as the foremost funding mechanism dedicated to protecting global biodiversity, mitigating the causes and impacts of climate change, and preventing further land degradation. There is a need to rapidly build on the opportunities emerging, in light of the recent policy developments around REDD and LULUCF, to act strategically, not only to help maintain forest resources, but also to increase forest cover worldwide.

As the GEF gains experience through the implementation of its SFM program and other projects

supported through the focal areas of biodiversity and land degradation, it builds the foundation for a more ambitious global forest initiative in GEF-5, incorporating more explicit climate change mitigation benefits through REDD-related strategies. The GEF is prepared to act swiftly in this area, drawing on the effective resource programming for SFM in GEF-4, to build more comprehensive and inclusive approaches to forest financing.

Going forward, the GEF will move on from dealing primarily with individual projects designed to achieve specific focal area objectives. The way ahead will include larger programs, composed of complementary and interlinked projects, and drawing resources from the various focal areas. We hope also to secure dedicated resources that reflect the high degree of attention and priority given to forests. The strategy will allow for the development of a coherent and all-encompassing portfolio of SFM projects, resulting in multiple global environmental benefits, including the reduction of GHG emissions from deforestation and forest degradation. This approach would build on the agreed methodologies emerging from convention decisions, and support a concerted action framework for interested parties. All in all, the GEF is planning to continue articulating a strong message about the need to enhance its overall financial commitment to SFM in GEF-5, in order to effectively respond to the increasing challenges to forest ecosystems.

¹⁴ GEF, 2008. From Projects to Programs: Clarifying the Programmatic Approach in the GEF Portfolio. [http://www.thegef.org/uploadedFiles/Documents/Council_Documents__\(PDF_DOC\)/GEF_33/C.33.6%20Programmatic%20Approach%20Paper.pdf](http://www.thegef.org/uploadedFiles/Documents/Council_Documents__(PDF_DOC)/GEF_33/C.33.6%20Programmatic%20Approach%20Paper.pdf)



Annex 1: Program Framework for Projects Falling under the GEF Strategy for Sustainable Forest Management (Summary)¹⁵

Purpose

The purpose of this program framework is to identify priority areas for GEF investment in SFM that are consistent with the GEF mandate to generate global environmental benefits, and are in alignment with the strategic programs already identified in biodiversity, climate change, and land degradation. It aims to identify where progress toward SFM would make the greatest contribution to achieving the objectives in these three focal areas. Given the emphasis placed on country-driven projects in the GEF, it presents activities that are more indicative than prescriptive, and should be used as a guide for countries and agencies in their project development and submissions to the GEF. The projects falling under this strategy will contribute to implementation of the forest-related commitments and programs of work of the CBD, the UNFCCC, and the UNCCD. They will also contribute to implementation of the non-legally binding instrument on all types of forests adopted by UNFF.

Benefits of the programmatic approach

To gain additional benefits from the consolidation of the GEF's forest-related activities into one coherent program, countries and agencies should consider projects that cover one or more focal areas (biodiversity, climate change, and land degradation), that use integrated approaches, and that build upon existing structures, networks, and partnerships working to support SFM. In particular, for activities promoting sustainable management and use of forest resources, approaches should be multisectoral and ecosystem-based, and should consider forests within the wider production landscape.

Multisectoral approach

Efforts to promote SFM, sustainable land management, conservation of biological diversity, and climate change mitigation and adaptation must be coherent and complementary. In addition, as many of the causes of forest degradation and deforestation occur outside the sector, problems

in the forestry sector cannot be addressed in isolation. Therefore, implementation of the SFM strategy will be enhanced if countries consider which other sectors might have an impact on GEF activities, and act accordingly in their project design. In particular, consideration of sectors such as agriculture, livestock, transport, industry, and energy are likely to be most relevant to project impacts and sustainability. Furthermore, many of the activities in support of the sustainable management and use of forest resources could be greatly enhanced by strong private sector participation from the forest industry and others.

Emphasis on the whole landscape

Many landscapes are potentially valuable for both conservation and production, but the majority are used for production, with only limited protection of soil, water, and ecosystem functions. Sometimes this current mix of uses is a result of tradition, but more often than not, it is in response to the evolving policy and regulatory framework governing land use. All projects should consider basic actions that will overcome biases against

¹⁵ The complete Programme Framework for projects falling under the GEF Strategy for Sustainable Forest Management can be found at: [http://www.thegef.org/uploadedFiles/Documents/Council_Documents__\(PDF_DOC\)/GEF-C32/GEF%20SFM%20Programme%20Framework%202024-07-07%20Final.pdf](http://www.thegef.org/uploadedFiles/Documents/Council_Documents__(PDF_DOC)/GEF-C32/GEF%20SFM%20Programme%20Framework%202024-07-07%20Final.pdf)

conserving and producing global environmental benefits, while addressing the need to support local livelihoods.

Such projects should consider involving local people. Projects that complement GEF interventions with national commitments and investments in activities that are visible at the local level, and directly involve local citizens, are more likely to be sustainable in the long run, and should deliver additional valuable benefits in terms of poverty alleviation. Thus, strong national leadership in project design, execution, and monitoring; domestic public and private sector investment; benefits delivered in rural landscapes; and involvement and engagement of civil society in project execution should be emphasized in projects.

Building on existing structures, networks, and partnerships

For efficient and effective implementation of this program, projects should build on and use existing structures, mechanisms, and networks, such as: national forest programs; national and global forest assessments; biodiversity strategies and action plans; national, regional and subregional action programs under the UNCCD; National Adaptation Programs for Action, and the

like. This program will support the integration and implementation of the provisions of environmental conventions within these existing structures, and also support networking among countries tackling similar issues, to encourage learning and exchange.

At the international level, linkages and collaboration should also be sought with the projects and programs of all major international agencies working in the forestry sector, especially with established partnerships such as the Collaborative Partnership on Forests; the National Forest Program Facility; and the Global Forest Alliance (PROFOR), as well as with other GEF-supported programs (such as the Small Grant Program, the Public-Private Partnership Fund, and the Strategic Investment Program for Sustainable Land Management in Sub-Saharan Africa). Implementation of the program should also follow the principles outlined in the Paris Declaration on Aid Effectiveness.

Long-term objectives and strategic programs

Long-term objectives and strategic programs are redefined for every replenishment period. The structure, summarized for SFM in Table 1, balances continuity and flexibility while supporting an emphasis on results.

TABLE 1 Objectives for GEF Investments in Sustainable Forest Management

Long-term Objectives	Strategic Programs for GEF-4
To conserve and sustainably use forest biodiversity	Sustainable financing of protected area systems at the national level Strengthening terrestrial protected area networks
To promote sustainable management and use of forest resources	Managing LULUCF as a means to protect carbon stocks and reduce GHG emissions Strengthening the policy and regulatory framework for mainstreaming biodiversity Fostering markets for biodiversity goods and services Promoting sustainable energy production from biomass Supporting sustainable forest management in productive landscapes

Abbreviations

AFDB	African Development Bank	REDD	Reduced Emissions from Deforestation and Forest Degradation
ADB	Asian Development Bank	SBSTA	Subsidiary Body for Scientific and Technological Advice
BRS	Brazilian Forest Service	SFM	sustainable forest management
CBD	United Nations Convention on Biological Diversity	TFA	Tropical Forest Account
CDM	clean development mechanism	UN	United Nations
CI	Conservation International	UNCCD	United Nations Convention to Combat Desertification
COMIFAC	Central African Forest Commission	UNDP	United Nations Development Programme
COP	Conference of the Parties	UNEP	United Nations Environment Programme
EBRD	European Bank for Reconstruction and Development	UNFCCC	United Nations Framework Convention on Climate Change
FAO	Food and Agriculture Organization	UNFF	United Nations Forum on Forests
FCPF	Forest Carbon Partnership Facility	UNIDO	United Nations Industrial Development Organization
GEF	Global Environment Facility	UN-REDD	United Nations Reduced Emissions from Deforestation and Forest Degradation
GHG	greenhouse gas	WRI	World Resources Institute
GRE	Global and Regional Exclusion	WWF	World Wide Fund for Nature
GTZ	German Technical Cooperation	WCS	Wildlife Conservation Society
HFLD	High forest, low deforestation		
IADB	Inter-American Development Bank		
IFAD	International Fund for Agricultural Development		
IPCC	Intergovernmental Panel on Climate Change		
LULUCF	Land Use, Land Use Change and Forestry		
PROFOR	Program on Forests		

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Contributions: Zhihong Zhang, Josef Buchinger
Design: Patricia Hord.Graphik Design
Printing: Graphic Communications Inc.

About the GEF

The Global Environment Facility (GEF), established in 1991, is an independent financial mechanism that provides grants to developing countries for projects that benefit the global environment by helping promote sustainable livelihoods in local communities. GEF grants support projects related to biodiversity conservation; climate change mitigation and adaptation; the protection of international waters; combating land degradation (desertification and deforestation); the protection of the ozone layer; and the removal of persistent organic pollutants.

The GEF is the operating entity of the financial mechanism for the international conventions on biological diversity (CBD), climate change (UNCCC), and persistent organic pollutants. The GEF is also an operating entity of the financial mechanism for the Convention to Combat Desertification (UNCCD) and collaborates with other treaties and agreements. The GEF works closely with convention secretariats, the GEF agencies, the private sector, and civil society.

The GEF unites 178 member governments—in partnership with international institutions, nongovernmental organizations, indigenous and local communities, and the private sector—to address global environmental issues while supporting national sustainable development initiatives. Since 1991, the GEF has evolved into an effective and transparent entity with a solid, outcomes-driven track record. As the largest funder of projects and programs to improve the global environment, the GEF has so far allocated US\$8.26 billion, supplemented by US\$33.7 billion in cofinancing, directed at more than 2,200 projects in more than 165 developing countries and countries with economies in transition. Through its Small Grants Program, the GEF has also provided more than 9,000 small grants directly to nongovernmental and community organizations, including indigenous and local communities.

GEF projects and programs are implemented by one or more of the ten designated GEF Agencies: the United Nations Development Programme (UNDP); the United Nations Environment Programme (UNEP); the World Bank; the UN Food and Agriculture Organization (FAO); the UN Industrial Development Organization (UNIDO); the African Development Bank (AFDB); the Asian Development Bank (ADB); the European Bank for Reconstruction and Development (EBRD); the Inter-American Development Bank (IADB); and the International Fund for Agricultural Development (IFAD).



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