



NATIONAL FORUM TO STRENGTHEN POLICIES AND OPPORTUNITIES FOR FOREST INVESTMENT IN THE FOREST SECTOR OF ECUADOR

1-3 September 2009, Quito, Ecuador

Swissotel

Background

In order to ensure the promotion and funding of the sustainable management of natural and planted forests, the Sustainable Forest Development Strategy of Ecuador seeks to develop and consolidate a unified, transparent and flexible financing system, while facilitating the effective development of a number of valuation and incentive mechanisms for the provision and protection of environmental services, as well as other financing alternatives to promote efforts aimed at conservation, sustainable forest management, and afforestation and reforestation, among others.

In 2006, Ecuador prepared the document "**Elements for a National Forest Financing Strategy**", which assessed the current status and outlook of the national forest financing system, and proposed actions for improvement.

Ecuador currently lacks an adequate forest financing strategy. The local resources available cannot be channeled into the management of natural and planted forests due to a lack of operational mechanisms, such as bank credit facilities or a forest investment fund. At present, the country's institutional capacity to assess and support the implementation of long-term forest activities is limited.

On the other hand, other countries in the region have made progress in the development and piloting of innovative mechanisms, which are not commonly known in Ecuador.

Forum objectives

The objective of this Forum is to support the establishment of a favorable environment for forest financing in Ecuador through the development and implementation of a National Forest Financing Strategy.

The Forum will help participants to:

- demonstrate that forest sector investment **is profitable**;
- identify **financial instruments and mechanisms** to be implemented in the next few years and prioritize those to be developed in the short and medium terms;
- support the **identification of and search for synergies** between various stakeholders so as to improve forest sector financing in Ecuador;
- **identify strategic guidelines** towards a National Forest Financing Strategy with 2 or 3 prioritized financial mechanisms for short-term implementation;
- agree on an **action plan** for the participatory development of a National Forest Financing Strategy and financial mechanisms.

Participants

The Forum is geared to key representatives of the forest and financial sectors of Ecuador.

For further information, please contact:

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Tuesday, 01 September

TIME	ACTIVITY	METHOD	RESPONSIBLE PARTY
8:30	Registration of participants		DNF
	Session 1: Opening of the Forum		
9:00	Welcoming address Official Forum opening address		Ian Charrett FAOR Ecuador Antonio Matamoros ACTO ITTO Director Ab. Marcela Aguinaga Minister for the Environment
	Session 2: The Ecuadorian forest sector, investment and financing		
9:30	- Forum background - Objectives and structure		- Ramón Carrillo - Marco Boscolo
10:00	Forest sector, investment and financing: Realities, challenges and opportunities Financial sector's vision of forest financing in Ecuador: Realities, challenges and opportunities	Presentation Presentation	- Ing. Camilo González National Forest Director - Financial sector representative
10:45	Coffee break		
11:00	Introduction of participants, Forum expectations and key issues to be addressed, and mutually reinforcing perspectives of the forest and financial sectors	Plenary session	- Marco Boscolo
12:30	Strategic guidelines and financing mechanisms for the Ecuadorian forest sector: current status and proposal for discussion	Plenary presentation and questions	- Xavier Izco National Consultant
13.15	Lunch		
	Session 3: Developing a strategic vision		
14:05	Strategic vision for the financing of sustainable forest management (conceptual model and introduction of required elements)	Plenary presentation and discussion	- Kees van Dijk
14:35	The benefits of having an Action Plan to promote forest sector investment and elements for its development	Plenary presentation	- Ramon Carrillo ITTO
	Session 4: Functions and stakeholders		
15.00	Assessment of forest functions (goods and services) – Key stakeholder perspectives, potential and priorities	Plenary presentation and discussion	- Kees van Dijk, - Representative of Ecuadorian private production sector
15.30	Review of key stakeholders' roles and perspectives (at the national, regional and local levels)	Sub-groups	- FAO facilitator
16.15	Coffee break		
16.45	Stakeholders and priority roles in the implementation of the national forestry agenda at the national, regional and local levels	Plenary presentation of group results and discussion	- FAO facilitator
17:30	Summary of key inputs and lessons learned	Plenary	- Xavier Izco,

TIME	ACTIVITY	METHOD	RESPONSIBLE PARTY
	on Day 1	session	National Consultant
17:45	Closing of Day 1		- FAO facilitator

Wednesday, 2 September

TIME	ACTIVITY	METHOD	RESPONSIBLE PARTY
8.30	Lessons learned and conclusions of Day 1		- National Consultant
	Session 5: Investment mechanisms		
8.45	Investment mechanisms: An introduction to financing sources and instruments (credit lines, subsidies, national funds, revolving funds and capital market) Lessons learned and conclusions	Plenary presentation and questions	- Kees van Dijk
9.05	National case studies - PROFORESTAL - PROFAFOR, - SOCIOBOSQUE, - Servicio Forestal Amazónico	2 - 3 case studies in Ecuador	- Fernando Arízaga - Jorge Muñoz - Max Lazcano - Marco Romero
10:20	- Promising investment financing mechanisms in Ecuador	Plenary presentation	Dr Tannya Lozada Natural Heritage Undersecretary, Ministry for the Environment
10.50	Coffee break		
11:00	Analysis of strengths and weaknesses of 3 - 4 investment mechanisms	Discussion sub-groups per mechanism	- FAO facilitator
12:00	Analysis of strengths and weaknesses of investment mechanisms	Plenary presentation of results and discussion	- FAO facilitator
12.30	Lunch		
	Session 6: Payment mechanisms		
13:30	Payment mechanisms for forest goods and services	Presentation and discussion	- Marco Boscolo
14:00	National and international case studies: - Sierra Gorda, Mexico - Revolving funds, Peru - ACTO's strategic vision of forest sector financing	Presentation and discussion	- Jorge Muñoz, - Ullilen Lucetty and Daniel Tafur Carlos Aragón
14:45	REDD concept in Ecuador: planned and potential cooperation programs	Presentation and discussion	Marco Chiu Ministry for the Environment
15.15	Coffee break		
15:30	Analysis of strengths and weaknesses in Ecuador	Discussion sub-groups per mechanism	- FAO facilitator
16:45	Strengths and weaknesses of goods and services payment mechanisms	Plenary presentation and discussion	- FAO facilitator
17:15	Presentation of a Latin American experience	Presentation	- FAO Consultant

TIME	ACTIVITY	METHOD	RESPONSIBLE PARTY
17.45	Summary of key inputs and lessons learned on Day 2	Plenary session	- National facilitator
18:00	Closing of Day 2		

Thursday, 3 September

TIME	ACTIVITY	METHOD	RESPONSIBLE PARTY
8.30	Lessons learned and conclusions of Day 2		- National facilitator
	Session 7: Favorable environment and strategy		
8:45	Key elements for a favorable environment and national forest financing strategy (NFFS)	Presentation on regional lessons learned	- Kees van Dijk
9:15	Ecuador's forest sector competitiveness: lessons learned		Duval Llaguno IDB
9:30	A favorable environment for an effective strategy in Ecuador	Carousel discussion	- FAO facilitator
10.15	Key stakeholder perspectives on a favorable environment and effective financing strategy	Plenary feedback and reporting of carousel discussion results	- Participants
10:45	Coffee break		
11.15	Discussion on key issues and follow-up and action plan for the development and implementation of the NFFS. Identification of immediate steps	Plenary presentation of summary of results and Forum discussion	- National facilitator
	Session 8: Closing of the Forum		
12.30	Forest financing: initiatives and events relevant to Ecuador		-Marco Boscolo
12.45	Forum evaluation	Participants	- FAO facilitator
13.15	Closing of Forum		- DNF, FAO, ITTO
13.30	Lunch		

Thursday, 3 September (15:00 – 17:30): Voluntary activity

With the assistance of the Forum facilitators and the involvement of some Forum participants, a voluntary working group will be established with the participation of decision-makers and interested stakeholders. The tentative work program for this group will first include an evaluation of key issues and lessons derived from the Forum. This will help to define:

- 1) key elements for strategy development and prioritization,
- 2) leadership roles,
- 3) responsibilities, and
- 4) timetable.

The expected output of this Forum and working group is to effectively identify key elements for a forest financing strategy and to establish a clear process for the development of a National Forest Financing Strategy.