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Module 4:

Objective



**Learning level:**  
Students at high schools, training centres and universities.



**Learning objective:**  
By the end of Module 4, students will understand the type, nature, scale, and sources of domestic and international financing available for forest restoration and allied activities that mitigate climate change and enable adaptation to it.

Securing Forest Landscape Restoration (FLR) Finances.

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Module 4:

Outline

- Overview
- TOPIC 1: FLR Overview
- TOPIC 2: Cost of FLR
- TOPIC 3: FLR investors
- TOPIC 4: Types of financing sources
- TOPIC 5: Climate finance for FLR
- TOPIC 6: Case studies
- Summary
- Credits



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Module 4:

Overview

- Large-scale restoration initiatives are underway to counter global forest loss and degradation
- Bonn Challenge (150 million ha by 2020), the New York Declaration on Forests (350 million ha by 2030), and land net degradation neutrality (LDN) by 2030.
- New and more effective approaches needed with local communities as primary stakeholders
- Partnerships need to be created and consolidated - global and local, public and private, business and civil society, community and government
- Task is humongous and so are the costs - the affected countries can not afford the costs

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Module 4:

Overview



*A landscape reaping the fruits of restoration. Thousands of such small and big initiatives are underway to counter global loss and degradation of the world's forests promoted through global efforts like the Bonn Challenge (150 million ha by 2020) and the New York Declaration on Forests (350 million ha by 2030).*

Source: Stanturf, J., Massouhian, S. & Kienle, M., eds. 2017. Implementing forest landscape restoration: a practitioner's guide. IFLRO, Vienna, Austria. Photo: © Alexander Duck

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Topic 1:

FLR Overview



**Learning activities:**  
Class presentation, small group questions and student assignments.



**Learning outcome:**  
By the end of Topic 1, students will comprehend the extent of deforestation and forest degradation, and the broad range of FLR activities that can mitigate climate change, help adapt to it, conserve biodiversity and lead to sustainable development.

Securing Forest Landscape Restoration (FLR) Finances.

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Topic 1:

FLR Overview

**Deforestation and forest degradation:**

- World's forest area covers 4.06 billion ha - 31% of total land area of earth
- About half of forests are in the Tropics of which half are either deforested or significantly degraded
- Forest Landscape Restoration reverses this degradation with the complete involvement of local communities
- Mitigates climate change and helps in adapting to it
- Conserves biodiversity and enhances land degradation neutrality
- Thereby regaining ecological functionality which leads to human wellbeing across the landscape



Source: Hanson et al. (2015)

Securing Forest Landscape Restoration (FLR) Finances.

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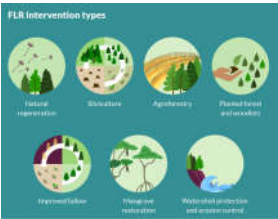
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Topic 1:

FLR Overview

**FLR activities:**

- Afforestation and reforestation on lands without forests
- Assisted Natural Regeneration on degraded forests
- Planting and soil and moisture conservation in watershed areas
- Restorative management of secondary forests
- Agroforestry and farm forestry
- Restoration of grasslands, small waterbodies, and eroded stream banks



Source: IUCN, 2018.

Securing Forest Landscape Restoration (FLR) Finances.

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Topic 1:

FLR Overview

**Climate change mitigation and adaptation:**

- Forests act as sink of CO2 by sequestering it from atmosphere
- Forests are reservoirs of CO2 that gets released back in atmosphere through deforestation and degradation
- Paris Agreement Art 5(1): Countries expected to conserve and enhance forests that act as sinks and reservoirs of CO2
- Paris Agreement Art 5(2): Countries encouraged to implement and support REDD+
- IPCC Special Report 1.5: Forests and trees are important constituents of Carbon Dioxide Reduction approaches
- Forests help in adapting to the changing climate

Securing Forest Landscape Restoration (FLR) Finances.

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Topic 1:

FLR Overview



**PRISTINE:** Guyana's vast tropical forests are attracting increasing numbers of tourists, and many Guyanese women are providing ecotourism services.

Source: ITTO, TFU 29/3 2020. Photo: GFC

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Topic 1:

FLR Overview

**FLR helps in biodiversity conservation and land degradation neutrality:**

- FLR activities bring the floral biodiversity back over time
- Faunal biodiversity follows to considerable extent
- Micro flora and microfauna also build up as soil fertility and moisture retention increases
- Leaf litter and root decomposition adds nutrients to the soil
- Increased nutrient and moisture availability in the soil leads to enhanced land productivity



Forest landscape restoration is an iterative, multi-stakeholder approach that can help reverse land degradation, increase carbon storage, conserve biodiversity and create sustainable livelihoods for local communities

Source: ITTO (2020)

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Securing Forest Landscape Restoration (FLR) Finances.

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Topic 1:

FLR Overview

**FLR leads to sustainable development:**

- FLR builds Natural Capital
- FLR builds Social Capital
- FLR builds Financial Capital
- FLR creates future possibilities of Capital build up
- FLR is thus an important step towards sustainable development



A healthy forest landscape in the Alto Vale do Itajaí region, Brazil

Source: ITTO, TFU 29/3 2020. Photo: © Wipold Schaffer

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Topic 1:

Resources

- Gichuki, L. et al. 2019. *Reviving land and restoring landscapes policy convergence between forest landscape restoration and land degradation neutrality*. Gland, Switzerland. IUCN.
- UNFCCC. 2021. *Land Use, Land-use Change and Forestry*. <https://unfccc.int/topics/land-use/workstreams/land-use-land-use-change-and-forestry-lulucf>. Downloaded on 12.06.2021
- FAO & Global Mechanism of the UNCCD. 2015. *Sustainable financing for forest and landscape restoration: Opportunities, challenges, and the way forward*. Discussion paper. Rome.



Securing Forest Landscape Restoration (FLR) Finances.13 of 72

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Topic 1:

Resources

Watch this **4 minute video** about Forest Landscape Restoration (FLR) in Ethiopia by CIFOR:

- <https://www.youtube.com/watch?v=AIZ0Qz3jICg>

Watch this **3 minute video** titled 'Forest Landscape Restoration (FLR) in a nutshell' by Federal Ministry of Economic Cooperation and Development, Germany

- <https://www.youtube.com/watch?v=nIvPovNus2w>



Securing Forest Landscape Restoration (FLR) Finances.14 of 72

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Topic 1:

Questions

1. What is the significance of the word 'landscape' in FLR?
2. Discuss the importance of FLR to mitigation of climate change in developing countries
3. Think of a district in your country and enumerate five most important FLR activities you would like to undertake for FLR there.
4. Does FLR has any role to play in realizing the Nationally Determined Contributions committed by your country under the Paris Agreement?
5. How does FLR help build up Social Capital?



Securing Forest Landscape Restoration (FLR) Finances.15 of 72

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Topic 1:

Assignments


1. What is FLR?

2. What FLR activities would be most appropriate in a dry savannah type of forest landscape a large part of which has become degraded due to excessive grazing and repeated fires?

3. What role can FLR play in adapting to the changing climate?

4. Discuss the role of FLR in reaching Land Degradation Neutrality with specific examples from your country.

5. Can FLR play significant role in sustainable development of a well populated district that has one third of its land under forest cover a significant part of which is degraded?



Securing Forest Landscape Restoration (FLR) Finances.

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Topic 2:

Cost of FLR



**Learning activities:**  
Class presentation, small group questions and student assignments.



**Learning outcome:**  
By the end of Topic 2, students will learn how to estimate unit cost of FLR, importance of opportunity costs and transaction costs, and estimates of global and regional targets of FLR and costs.

Securing Forest Landscape Restoration (FLR) Finances.

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Topic 2:


Cost of FLR

**Unit cost of FLR:**

- Operation costs
- Opportunity costs
- Implementation costs
- Transaction costs

Total: \$ 3450/ha for tropical forests

Source: TEEB Climate Issues Update, Sept 2010



Members of the women's association - MALEB - in Dimbokro, Côte d'Ivoire, tend cuttings that will later be outplanted as part of forest restoration efforts.

Source: ITTO, TFO 2010, 2019.

Photo: A. K. K. K.

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Topic 2:

Cost of FLR

Global FLR targets:

- Bonn Challenge, established 2011, 150 million ha by 2020
- New York Declaration on Forests of 2014, 350 million ha by 2030
- Initiative 20x20 of Latin America and Caribbean, established 2015, 20 million ha – increased to 27.5 million ha – to be restored by 2020
- AFR100, African Forest Landscape Restoration initiative to restore 100 million ha of degraded forests in Africa by 2030.
- Land Degradation Neutrality (SDG 15.3), 2000 million ha by 2030

RESTORE  
OUR FUTURE

BONN CHALLENGE

Securing Forest Landscape Restoration (FLR) Finances.

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Topic 2:

Cost of FLR

Global cost estimates of FLR and availability:

- New York Declaration on Forests, 350 million ha between 2014 to 2030, and
- UN SDG 15.3 – Land Degradation Neutrality – 2000 million ha between 2015 to 2030
- Total requirement during 2015-2030 would be 2350 million ha x \$3450/ha = \$8108 billion, \$ 540 billion annually
- Since 2015 only \$41 billion of Public finance and \$10 billion of private finance has been invested annually
- \$780 billions per year needed each year till 2030



Securing Forest Landscape Restoration (FLR) Finances.

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Topic 2:

Cost of FLR

Do not ignore the opportunity costs in FLR:

- Lands degrade because people are dependent upon them for livelihood
- Project design should care for livelihood dependence in short and medium term
- Opportunity costs is assessed from the value of the next- highest-valued alternative use of the land and labour resource, and the direct and indirect costs of forest restoration option compared to alternatives
- Assess opportunity cost in consultation with local communities



Securing Forest Landscape Restoration (FLR) Finances.

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Topic 2:

Cost of FLR

Reduce transaction costs in FLR:

- High transaction costs can cripple FLR projects financially
- These costs can become astronomical in climate mitigation projects involving result based payments
- State intervention can reduce these costs through institutional support
- Remote sensing facilities are very useful in MRV



A group discussion between Forestry Administration officials, community forestry management committee members and local authorities in Veal Okdey, Santuk district, Kampong Thom province, Cambodia. Source: ITTO, ITU 29/2 2020/modified by IUCN, 2020.

Securing Forest Landscape Restoration (FLR) Finances.

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Topic 2:

Resources

- TEEB. 2009. *TEEB Climate Issues Update*. September 2009.
- TEEB. 2010. *The Economics of Ecosystems and Biodiversity: Mainstreaming the Economics of Nature: A synthesis of the approach, conclusions and recommendations of TEEB*.



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Topic 2:

Resources

Watch this **2 minute video** about restoring our future with forest landscape restoration by IUCN:

- [https://www.youtube.com/watch?v=mN6v\\_OqAtR8](https://www.youtube.com/watch?v=mN6v_OqAtR8)



Securing Forest Landscape Restoration (FLR) Finances.

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Topic 2:


Questions

1. What is the unit cost of undertaking restoration in your country? Why is opportunity cost component of total cost important?

2. What is Initiative 20x20?

3. Describe SDG 15.3. How does it relate to FLR?

4. What is the total annual requirement of funds for FLR?



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Topic 2:

Assignments

1. Explain how you would arrive at unit cost of forest landscape restoration in your district?

2. Describe the New York Declaration on Forests of 2014 in details.

3. Describe Land Degradation Neutrality. How much money would be needed for achieving it in your district?



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Topic 3:

FLR Investors



Learning activities:

Class presentation, small group questions and student assignments.



Learning outcome:

By the end of Topic 3, students will be able to appreciate that FLR involves multi-sectoral activities that can be financed by many sources beyond the immediately visible, different stages of FLR are often best financed by different sources, investors have widely different motives and time preferences

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Topic 3:

FLR Investors

**FLR can attract finance from multiple sectors:**

- Go beyond forest finance. FLR has multi-sectoral aspects.
- International finance for climate, LDN, and biodiversity
- Agriculture and rural development finance
- Mountain, watershed, and coastal protection finance
- Ecotourism finance
- Urban area development finance

Source: FAO & UNCCD. 2015.

Securing Forest Landscape Restoration (FLR) Finances.

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Topic 3:

FLR Investors

**Sustainable investments in FLR have to be well planned involving several stages:**

- Initial readiness investment covering transaction costs and FLR project design;
- Implementation-related investment, covering operational costs for implementation of the project;
- Self-sustaining financing of long-term running costs.
- Each step involves different practical measures and potentially different types of investors, donors and financing instruments.

Three investment steps:

Source: FAO & UNCCD. 2015.

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Topic 3:

FLR Investors

**Types of investors:**

- Value investors that seek a good return on investment
- Social investors that seek to promote a set of desirable social objective even at the cost of return on their investments
- Conservation investors want to protect or restore a specific landscape, habitat or species and are tolerant of low return on their investments
- Impact investors aim at solving social or environmental challenges while generating financial profit

Source: FAO & UNCCD. 2015.

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Topic 3:

FLR Investors

Types of capital used for investing:

• Grants

• Equity

• Loans and Bonds

• Subsidies and compensations

• Guarantees

• PES

Three investment steps

Different forms of assets and capital types

1

Up-front investment = readiness investment

Grants, public subsidies, PES schemes, junior shares

2

Implementation investment/asset investment

Equity (senior shares, notes), bonds, loans, guarantees, buy-back agreements

3

Self-sustaining financing

PES schemes, bonds, buy-back agreements

Securing Forest Landscape Restoration (FLR) Finances.

Source: FAO & UNCCD 2015.

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Topic 3:

FLR Investors

Type of financing sources for FLR:

• National, provincial, or local government Budgets

• International development finance

• Climate finance

• Private investment

• National Environmental Funds (non-budgetary)

• Non-traditional and NGO finance

Long-term sustainable FLR financing

National environmental funds (extrabudgetary)

Climate finance

Private finance

Non-governmental funding

Non-traditional funding (e.g. crowdfunding)

Relevant budgets and resources

Development cooperation

Source: FAO & UNCCD 2015.

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Topic 3:

Resources

• FAO & Global Mechanism of the UNCCD. 2015. *Sustainable financing for forest and landscape restoration: Opportunities, challenges and the way forward*. Discussion paper. Rome

• Gichuki, L., Brouwer, R., Davies, J., Vidal, A., Kuzee, M., Magero, C., Walter, S., Lara, P., Oragbade, C. and Gilbey, B. (2019). *Reviving land and restoring landscapes: Policy convergence between forest landscape restoration and land degradation neutrality*. Gland, Switzerland: IUCN. viii + 34pp

Securing Forest Landscape Restoration (FLR) Finances.

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Topic 3:

Resources

Watch this **6 minute video** about financing forest landscape restoration by IUCN:

- <https://www.youtube.com/watch?v=uziAonznmQ0>



Securing Forest Landscape Restoration (FLR) Finances.

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Topic 3:

Questions

1. How can coastal protection finance be utilized for financing FLR?
2. Why does it often become necessary to finance FLR in stages?
3. Who are Social Investors and how are they different from Value Investors?
4. What are the different types of capital used for investing in FLR?
5. What are the different types of financing sources accessed for investing in FLR?



Securing Forest Landscape Restoration (FLR) Finances.

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Topic 3:

Assignments

1. Explain why FLR can attract finance meant for agriculture sector
2. Different stages of financing in a large FLR project
3. Explain different types of investors in FLR
4. Differentiate between various types of capital used in financing FLR
5. Explain the role of international development finance in FLR



Securing Forest Landscape Restoration (FLR) Finances.

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Topic 4:

Types of financing sources



Learning activities:

Class presentation, small group questions and student assignments.



Learning outcome:

By the end of Topic 4, students will be able to learn about the various domestic and international sources of financing FLR including parliament approved budgets, ODA, and climate change specific funds.

Securing Forest Landscape Restoration (FLR) Finances.

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Topic 4:

Types of financing sources

**Budgetary provisions of National, Provincial and Local governments:**

- Usually, the biggest source of funds for FLR except in LDCs
- In underdeveloped countries forests get low priority in funding
- Budgets also provide loans and subsidies to private operators to promote FLR
- Funds from international agencies also routed through budgets
- Unspent funds are not carried over without fresh approvals

*“Restoration projects often have high up-front costs and long timelines to reach profitability. Using public and/or non-profit finance for the first few years can help them obtain traditional private-sector investment and become competitive on the financial marketplace.”*

–EcoPlanet Bamboo  
Source: FAO & UNCCD, 2015.

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Topic 4:

Types of financing sources

**International development finance:**

- 90% of ODA is provided by top ten international development banks and international cooperation agencies
- WB, EC, AfDB, ADB, CAF, AFD, DFID, JICA, KfW, USAID
- Zero to low-interest loans to developing countries and grants to least-developed countries in their geographic focus areas
- Sovereign and non-sovereign loans
- Microfinance schemes
- Grants and guarantees



Securing Forest Landscape Restoration (FLR) Finances.

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Topic 4:

Types of financing sources

**Climate finance:**

- Broadly three types: climate mitigation finance, adaptation finance, Joint mitigation-cum-adaptation finance
- Compliance market based mitigation like CDM
- Voluntary markets

Climate change policies

Mitigation

Reducing emissions

Increasing forest carbon stocks

Changing consumption patterns

Adaptation

Reducing risk

Increasing resilience

Improving resilience

Source: FAO & UNCCD, 2015.

Securing Forest Landscape Restoration (FLR) Finances.

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Topic 4:

Types of financing sources

**Climate finance - REDD+:**

- Reducing Emissions from Deforestation and Forest Degradation plus conservation of forests, sustainable management of forests and enhancement of forest carbon stocks in developing countries
- Three stage financing
- Achievements measured against reference levels
- REDD+ at local level, CBR+
- UN-REDD, FCPF, Bio-Carbon Fund Initiative for Sustainable Forest Landscapes
- Governors' Climate and Forests Fund



**BioCarbon Fund**  
Initiative for Sustainable Forest Landscapes

Securing Forest Landscape Restoration (FLR) Finances.

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Topic 4:


Types of financing sources

**Adaptation based climate finance:**

- UNFCCC Adaptation Fund
- Special Climate Change Fund
- GEF
- GEF-Small Grants Programme
- International Climate Initiative



The GEF  
Small Grants  
Programme

  
Empowered lives.  
Resilient nations.

Securing Forest Landscape Restoration (FLR) Finances.

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Topic 4:

Resources

- Climate Funds Update at <https://climatefundsupdate.org/>
- Where climate cash is flowing and why it's not enough at: <https://www.nature.com/articles/d41586-019-02712-3>
- FAO & Global Mechanism of the UNCCD. 2015. *Sustainable financing for forest and landscape restoration: Opportunities, challenges and the way forward*. Discussion paper. Rome.



Securing Forest Landscape Restoration (FLR) Finances. 43 of 72

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Topic 4:

Resources

Watch this **84 minute video** from the Global Landscape Forum: Discussion Forum 15 titled 'Financing Forest Landscape Restoration':

- <https://www.youtube.com/watch?v=8UXQ2Qs5rFo>



Securing Forest Landscape Restoration (FLR) Finances. 44 of 72

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Topic 4:

Questions

1. What is the largest source of financing for forests in your country?
2. What is the biggest bilaterally financed forestry project in your country?
3. What are the three broad types of climate related finance mechanisms?
4. What does REDD+ stand for?
5. What is Adaptation Fund?



Securing Forest Landscape Restoration (FLR) Finances. 45 of 72

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Topic 4:

Assignments


1. A note on forestry budget in your country

2. A short note on ODA for forestry in your country

3. A short note on compliance market based climate mitigation mechanism

4. A short note on Forest Carbon Partnership Facility

5. A short note on GEF-Small Grants Programme



Securing Forest Landscape Restoration (FLR) Finances.

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Topic 5:

Climate finance for FLR



**Learning activities:**  
Class presentation, small group questions and student assignments.



**Learning outcome:**  
By the end of Topic 5, students will learn more about various funds dealing specifically with the requirement of finances for forest based climate change mitigation and adaptation

Securing Forest Landscape Restoration (FLR) Finances.

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Topic 5:

Climate finance for FLR

**Some important climate finance sources for FLR:**

- UN-REDD
- Forest Carbon Partnership Facility
- GEF
- Community Based REDD+ Programme
- Biocarbon Fund Initiative for Sustainable Landscape
- Green Climate Fund



**GREEN  
CLIMATE  
FUND**

Securing Forest Landscape Restoration (FLR) Finances.

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Topic 5:

Climate finance for FLR

**UN-REDD:**

- United Nations Programme on Reducing Emissions from Deforestation and Forest Degradation
- Flagship UN partnership between FAO, UNDP and UNEP
- Created in 2008 as a follow up on the Bali Action Plan and REDD.
- Focuses on building technical capacities for implementing REDD+
- Has no funds of its own, facilitates access to financing institutions across the world
- Examples of UNREDD financing

UN-REDD  
PROGRAMME



Securing Forest Landscape Restoration (FLR) Finances.

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Topic 5:

Climate finance for FLR

**Forest Carbon Partnership Facility:**

- Global partnership of governments, businesses, civil society, and Indigenous Peoples for promoting REDD+ in developing countries.
- Presently FCPF works with 47 recipient and 17 donor countries
- Total commitments \$1.3 billion for Readiness and Carbon Fund
- Readiness Fund supports designing strategies, developing REL, designing MRV, setting up REDD+ management system
- Carbon Fund supports REDD+ pilots

FOREST  
CARBON  
PARTNERSHIP  
FACILITY

Securing Forest Landscape Restoration (FLR) Finances.

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Topic 5:

Climate finance for FLR

**Global Environment Facility:**

- GEF established in 1991 just before the Rio Earth Summit to facilitate financing of mitigation of pressing environmental issues
- Funds are provided to developing countries and Economies in transition
- GEF also administers Adaptation Fund, Special Climate Change Fund (SCCF), Least Developed Countries Fund (LDCF), Nagoya Protocol Implementation Fund (NPIF)
- GEF-Small Grants Fund
- Examples



Securing Forest Landscape Restoration (FLR) Finances.

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Topic 5:

Climate finance for FLR

**Community Based REDD+:**

- A creative partnership between UN-REDD and GEF-SGP
- Enables indigenous communities in designing their own REDD+ complementing national strategies
- Grants limited to \$50000, given directly to communities
- Country level CBR+ committees formed in 6 pilot countries to approve projects and guide
- Overarching goal of CBR+ is improved rights and livelihood for indigenous peoples, adaptation to climate change, and biodiversity conservation.

UN-REDD  
PROGRAMME



SGP

The GEF  
Small Grants  
Programme

Securing Forest Landscape Restoration (FLR) Finances.

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Topic 5:

Climate finance for FLR

**Biocarbon Fund Initiative for Sustainable Landscape:**

- WB managed Biocarbon Fund Initiative for Sustainable Landscape aims at sustainable land use in agriculture and forestry and other sectors that use land resources
- It has two financial instruments BioCFplus and BioCF Tranche 3 that have a combined pledged capital of \$335 million
- BioCFplus focuses on creating the right policy environment for sustainable land use, builds relevant capacities, supports pilot activities, creates systems for monitoring, reporting and verification of GHG emissions from land use
- BioCF Tranche 3 aims at providing result based finances by actual measurement of reductions in emissions from land use via Emission Reductions Purchase Agreements.
- Currently donor base is limited to just 5 OECD countries and supports only 5 developing countries that have significant emissions from land use

Securing Forest Landscape Restoration (FLR) Finances.

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Topic 5:

Climate finance for FLR

**Green Climate Fund:**

- GCF conceptualized in 2009 at Copenhagen, established at Cancun in 2010
- Really took off after the Paris Agreement in 2015 for enabling implementation of NDCs by Developing countries
- Invests in CC mitigation and adaptation in built environment; energy & industry; livelihoods and wellbeing; and land-use and forests
- Works through transformational planning, and mainstreaming climate risks and opportunities into investment decision
- Provides financial support through a combination of grant, concessional debt, guarantees and equity instruments
- Invests 50% of its resources to mitigation and 50% to adaptation

Securing Forest Landscape Restoration (FLR) Finances.

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Topic 5:

Resources

- Climate Funds Update at: <https://climatefundsupdate.org/>
- Where climate cash is flowing and why it's not enough at: <https://www.nature.com/articles/d41586-019-02712-3>
- FAO & Global Mechanism of the UNCCD. 2015. *Sustainable financing for forest and landscape restoration: Opportunities, challenges and the way forward*. Discussion paper. Rome.



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Topic 5:

Resources

Watch this **13 minute video** titled 'Regreening Ethiopia's Highlands: A New Hope for Africa':

- <https://www.youtube.com/watch?v=nak-UUZnvPI>

Watch this **3 minute video** titled 'Restoring Landscapes' by African Conservation Tillage Network (ACT):

- [https://www.youtube.com/watch?v=JO4K\\_XqfSeg](https://www.youtube.com/watch?v=JO4K_XqfSeg)



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Topic 5:

Questions

1. Briefly explain what are the two Funds under FCPF and what are their mandates?
2. How does UN-REDD facilitate access to finance for REDD+ in developing countries?
3. How many Funds are administered by the GEF and what are their objectives?
4. What are the objectives of Community Based REDD+ and its financial limits?
5. What are the two financial instruments under the Biocarbon Fund Initiative for Sustainable Landscape and what do these instruments focus on?
6. Besides financial grants what are the other ways in which the GCF provides access to finance for climate projects?



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Topic 5:

Assignments

Write short notes on the following:

1. UN-REDD
2. FCPF
3. GEF
4. CBR+
5. Biocarbon Fund Initiative for Sustainable Landscape
6. GCF



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Topic 6:

Case studies



**Learning activities:**  
Class presentation, small group questions and student assignments.



**Learning outcome:**  
By the end of Topic 6, students will be able to understand how important climate finance mechanisms actually work, and also understand broadly what kind of proposals stand good chances of approval .

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Topic 6:

Case studies

**Nepal's UN-REDD proposal for Tech Support for preparing Forest Reference Level:**

- Nepal sought technical support for preparing Forest Reference Levels (FRL) in 2015
- Expected Output were enhanced capacity on the topic of FRL, preparation of draft FRL fit for submission to UNFCCC
- Activity 1 Capacity building workshop on FRL delivered to REDD+ stakeholders in Nepal, expected cost \$50000
- Activity 2 Expert review and technical support for drafting a FREL for submission to the UNFCCC, expected cost \$ 10000
- Activity 3 In-country working session on FREL refinement, expected cost \$20000

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Topic 6:

Case studies

**FCPF financing of Revision of Ghana’s National REDD+ Strategy in December 2015:**

- Initial version of Ghana’s REDD+ strategy prepared in January 2015 under an ongoing FCPF funding for REDD+ preparedness
- Paris Agreement and other domestic developments caused major changes influencing the prospects of REDD+ in Ghana
- Decision to revise REDD+ Strategy was taken and FCPF’s approval for financing obtained
- Amended strategy prepared
- FCPF’s Readiness Preparation Funding for Ghana is a US\$ 8.4 million grant over the period 2012-2017 supported all aspects of preparation with the exception of piloting.

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Topic 6:

Case studies

**GEF Project: Rehabilitation and Integrated Sustainable Development of Algerian Cork Oak Forest Production Landscapes:**

- Rehabilitation and Integrated Sustainable Development of Algerian Cork Oak Forest Production Landscapes
- Extent of cork oak forest production landscapes that integrate conservation and sustainable use of biodiversity into management and use proven SLM practices
- Focal areas are Biodiversity and Land Degradation, Funding Source is GEF Trust Fund,
- Total Project cost of \$ 28035215 of which Project preparation Grant of \$ 150000, GEF Project Grant \$ 341644, Co-financing Total \$ 24473571
- Three components of the Project over a duration of 6 years

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Topic 6:

Case studies

**CBR+ in Panama: Bosques de Vida**

- 20 CBR+ projects approved in Panama
- Total grant of \$800000 delivered to the communities
- Pilot project in Macaraca to demonstrate sustainable cattle raising practices
- Sustainable management of forests through the reproduction and protection of traditional medicinal plants, and recovery of sources of water.
- Demarcation of the lands of Puerto Indio indigenous community in Emberá Comarca for catchment protection, sustainable management of wood and hunting resources
- Rescuing traditional plants and trees and traditional agricultural techniques of afro-descendant communities in the Darien.

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Topic 6:

Case studies

**BioCarbon Fund Initiative For Sustainable Landscapes: Oromia Forested Landscape Program in Ethiopia:**

- ISFL finance for Oromia Forested Landscape Program in Ethiopia
- ISFL finance - total grant of \$18 million
- Carbon revenues of up to 10 million tons of emission reductions.
- Co-financing of \$3 million loan from IFC for investment in coffee sector
- 32 million ha project area of which 9 million ha are forested
- SFM, limited progress so far

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Topic 6

Case studies

**GCF: Bhutan for Life**

- GCF is co-financing the “Bhutan for Life” programme aimed at supporting Protected Areas in Bhutan for meeting the country’s goal to keep 60% of its area under forest cover and remaining Carbon negative.
- Funding initially capitalised with a USD 43 million transition fund by GCF and other donors, combined with a contribution of USD 75 million by Bhutan’s government over 14 years from 2018.
- Total project cost: USD 118.3m of which grant from GCF is \$26.6m

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Topic 6:

Resources

- *GCF Thematic Brief on Forest and Land Use* at: <https://www.greenclimate.fund/sites/default/files/document/gcf-thematic-brief-forests-and-land-use.pdf>
- *GCF Thematic Brief on Ecosystems & ecosystem services* at: <https://www.greenclimate.fund/document/thematic-brief-ecosystems-ecosystem-services>
- *Scaling up climate finance in the context of Covid-19: Executive summary* at: <https://www.greenclimate.fund/document/scaling-climate-finance-context-covid-19-executive-summary>
- Oromia National Regional State Forested Landscape Program at: <https://biocarbonfund-sfl.org/sites/default/files/2020-03/OFLP%20Implementation%20Status%20and%20Results%20Report%20%28August%202019%29.pdf>
- Oromia National Regional State Forested Landscape Program at: <https://www.biocarbonfund-sfl.org/programs/oromia-forested-landscape-program>
- *Community-Based REDD+ (CBR+): Progress Brief, February 2017* at: <https://sgp.undp.org/all-documents/global-publications/1147-community-based-redd-progress-report-2017/file.html>
- *PID Form: Rehabilitation and integrated sustainable development of Algerian cork oak forest production landscapes project* at: [https://publicpartnershipdata.azureedge.net/gef/PMISGEFDocuments/Mult%20Focal%20Areas/Algeria%202019%20Rehabilitation%20and%20Integrated%20Sustainable%20Development/D9806\\_BD\\_LD\\_Algeria\\_ed\\_002.pdf](https://publicpartnershipdata.azureedge.net/gef/PMISGEFDocuments/Mult%20Focal%20Areas/Algeria%202019%20Rehabilitation%20and%20Integrated%20Sustainable%20Development/D9806_BD_LD_Algeria_ed_002.pdf)
- *Ghana National REDD+ Strategy* at: <https://www.forestcarbonpartnership.org/system/files/documents/Ghana%20National%20REDD%20Strategy%20Dec%202015.pdf>

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Topic 6:

Resources

Watch this **14 minute video** about India's Water Revolution #2: The Biggest Permaculture Project on Earth! with the Paani Foundation:

- <https://www.youtube.com/watch?v=IDMnbeW3F8A>



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Topic 6:

Questions

Briefly describe a possible project in your region for which you would like to seek finance from:

1. UN-REDD
2. FCPF
3. GEF
4. CBR+
5. BioCarbon Fund IFSL
6. GCF



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Topic 6:

Assignments

All students to prepare brief outlines of financing proposals for submission to the GCF for one of the following topics that they can relate to from their surrounds

1. Reducing deforestation and forest degradation
2. Sustainable Forest Management over a large forest area interspersed with several villages
3. Forest Landscape Restoration over previously mined lands
4. Coastal landscape restoration along a coast with degraded mangroves, mudflats, coral islands, and popular beaches
5. A heavily degraded and erosion prone mountain watershed



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Module 4:

Summary

- This Module begins with an overview of Forest Landscape Restoration, average unit costs including hidden and indirect costs that are often forbiddingly high, and the huge, aggregated costs over countries and regions that would be beyond the reach of most developing countries to finance on their own and hence the need for outside finance.
- The students are exposed to various bilateral and multilateral funding sources that are available and the focus areas of these funds. A few multilateral funds like UN-REDD, FCPF, GEF, CBR+, BioCarbon Fund Initiative For Sustainable Landscape and GCF are discussed in greater details. And then case studies from these funds are discussed in details.
- Self-learning is encouraged to enable the students to prepare projects for financing by these funds, especially the largest of them all, the Green Climate Fund.

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Module 4:

Summary

Source: FAO & UNCCD, 2015.

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Module 4:

Credits

Module 4 was developed for ITTO and IUFRO under the GEF-approved project “Fostering Partnerships to Build Coherence and Support for FLR”, which supports the Collaborative Partnership on Forests (CPF) Joint Initiative on FLR.

The following institutions and people collaborated on this module:

- **Institution:** Institute of Green Economy, India
- **Contributor:** Dr. Promode Kant
- **Layout supporter:** Shonart

Suggested citation: ITTO-IUFRO FLR learning modules (2021)

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