



GEF-6

SUSTAINABLE
FOREST
MANAGEMENT
STRATEGY

STRENGTHENED SUPPORT FOR

forests



The background of the slide is a photograph of a dense, vibrant green forest. On the left side, a waterfall cascades down a rocky ledge. The trees are thick and varied in shades of green, creating a textured canopy. The overall scene is bright and natural, emphasizing the importance of forests.

The Importance of Forests

Governments face a range of economic, ecological, and political choices in achieving sustainable forest management (SFM). Three major challenges face many countries with forest resources: how to avoid further deforestation; how to improve management of forest resources and avoid practices which continue to degrade forests; and how to restore forest landscapes already degraded to an extent that ecosystem services have been lost or severely degraded. Only by addressing these challenges simultaneously can the sustainable flow of forest goods and ecosystem services be achieved.

GEF is uniquely placed to be a partner of choice for national governments, development agencies, civil society and the private sector in tackling these issues through GEF's new Sustainable Forest Management Strategy for GEF-6 (2014 – 2018). The strategy has been revised based on the lessons learned from its implementation in GEF-5 (2010 – 2014). In the following a short overview about the new features is provided for project proponents interested to make use of this funding opportunity.



Two Decades of Support for Sustainable Forest Management

The GEF recognizes the importance of forests for their role in sustaining biodiversity, their ability to provide a range of important environmental services and their potential to contribute to many countries' sustainable development plans.

Since 1992 the GEF has become a key supporter of developing countries' efforts to sustainably manage their forests by supporting more than 380 forest related projects, investing over \$2.1 billion of GEF funds. This GEF investment has brought together many stakeholders and more than \$9.5 billion in co-finance from a range of partners joining these efforts.

In GEF-5 over 80 countries took advantage of the SFM/ REDD+ Incentive Mechanism within 69 projects and

programs. This provided over \$700 million in support to efforts developing multiple benefits in a range of forest types around the world.

This ambition for multiple benefits is reinforced by GEF's unique position to support countries in implementation of the three Rio Conventions (UN Convention on Biological Diversity, UN Framework Convention on Climate Change and UN Convention to Combat Desertification). The GEF is also actively cooperating with the United Nations Forum on Forests (UNFF) on a range of topics on the maintenance of the multiple benefits and services provided by forests. GEF will continue to help countries implement the three forest-related conventions in a more synergistic fashion.





Our Approach — Supporting Multiple Benefits from SFM

GEF's approach is fully aligned with current global efforts that address forests in a holistic manner and recognize the links between poverty alleviation and the sustainable management of forest resources. The GEF SFM Strategy advocates an integrated approach at the landscape level, embracing ecosystem principles and including livelihood objectives in the management of forest ecosystems. The GEF offers support for a wide range of SFM tools such

as protected area establishment and management, integrated watershed management, certification of timber and non-timber forest products, payment for ecosystem services schemes, financial mechanisms related to carbon, development and testing of policy frameworks to slow the drivers of undesirable land-use change and work with local communities to develop alternative livelihoods to reduce emissions and sequester carbon.



The GEF-6 SFM Strategy

The goal for the new GEF-6 SFM strategy is to achieve multiple environmental benefits from improved management of all types of forests. The strategy supports the shift from governance with single sector focus towards management across institutional, sector and commercial boundaries. It contributes to the GEF's enhanced focus on addressing the drivers of environmental degradation. The strategy is applicable to pristine forests, managed forests and degraded forest land under all forms of ownership, tenure, and use regimes including public, private, community, and traditional or customary arrangements.

The strategy acknowledges that countries vary significantly in their current development pathway, technical and institutional capacity, and the extent and nature of the forest resources with which they are endowed. Also recognized is the importance of integration with and support for existing efforts developing national strategies, programs, and frameworks relevant for SFM, including those focusing on biodiversity, climate change

adaptation, and REDD+ readiness. The strategy also notes the importance of multi-stakeholder approaches for SFM and encourages wide stakeholder engagement and involvement including indigenous communities, civil society, the private sector, and local communities.

The strategy provides options for tackling the drivers of deforestation and forest degradation while supporting forests' role in national and local sustainable development plans. The strategy aims to support improved management in 20 million hectares of forest landscapes.

Four objectives will drive the SFM portfolio and contribute to the goal:

- 1) **Maintained Forest Resources:** Reduce the pressures on high conservation value forests by addressing the drivers of deforestation.
- 2) **Enhanced Forest Management:** Maintain flows of forest ecosystem services and improve resilience to climate change through SFM.
- 3) **Restored Forest Ecosystems:** Reverse the loss of ecosystem services within degraded forest landscapes.
- 4) **Increased Regional and Global Cooperation:** Enhance regional and global coordination on efforts to maintain forest resources, enhance forest management, and restore forest ecosystems through the transfer of international experience and know-how.



A Refined Incentive Mechanism for SFM

The GEF-6 SFM Strategy builds on the successes of the GEF-5 SFM/REDD+ Incentive Mechanism. It simplifies access and gives special consideration to Least Developed Countries and Small Island Developing States. The operational aspects of the GEF-6 SFM funding envelope streamline access to the envelope and provide effective incentive to those countries facing the greatest challenge in programming investments in SFM at an ecologically and operationally significant scale.

The GEF-6 SFM Strategy is based on a dedicated SFM funding envelope of \$250 million operated as an incentive mechanism. This aims at encouraging

countries to invest portions of their allocations from Biodiversity, Climate Change, and Land Degradation in fully integrated multi-focal area SFM projects and programs. The SFM Strategy resource envelope will also be used to support forest-related activities within two Integrated Approaches Pilots: Sustainable Cities – Harnessing Local Action for Global Commons and Taking Deforestation out of Commodity Supply Chains.

In order to achieve integration within SFM projects between the Biodiversity, Climate Change, and Land Degradation Focal Areas, countries are required to invest portions of their national allocation from at least two of the three Focal Areas. This approach creates synergy, especially in landscape-scale projects where the incentive will make sure that the project has a clear forestry focus by applying the SFM impact indicators to the entire project. Countries with flexible allocations are at liberty to use their full flexibility and are able to invest national allocation from one Focal Area.

The allocation of resources to projects and programs addressing SFM issues will be carried out through an incentive mechanism where all countries are supported at a ratio of 2:1. To ensure countries have access to sufficient funding to invest in SFM at an ecologically and operationally significant scale, each country is required to invest a minimum of \$2 million from their national allocations in order to qualify for incentive investments from the SFM envelope.



Where projects and programs involving two or more countries are proposed, the \$2 million minimum is assessed collectively. Countries are eligible to access up to a maximum of \$10 million from the SFM Incentive supported with qualifying investments from their national allocations.

SUPPORTING REGIONAL AND GLOBAL COOPERATION ON SFM

The SFM Strategy will also offer, on a competitive basis, support for targeted investments to increase regional and global cooperation on major SFM issues (Objective 4). The rationale for this support stems from a recognition that some of the ambitious proposals set out in the GEF6 SFM strategy will not be met by individual country action alone and opportunities exist to accrue benefits from cooperation and sharing of learning between countries when common issues are being tackled. Because of the regional and global aspect of this support those countries involved need not invest national STAR allocation in order to qualify.



Within these regional and global projects and programs GEF's support will specifically target upscaling and knowledge transfer to broaden GEF's catalytic role and maximize impacts of country-driven projects at portfolio level such as the participation of indigenous peoples, civil society organizations, and the private sector in SFM through networking, South-South cooperation, and sharing of international experience and know-how. Funding support will be made available to proposals which demonstrate incremental benefits from regional and global cooperation on the basis of: thematic issues that will deepen and reinforce the focal area agenda; the potential for spatial and geographical integration at appropriate scales (including transboundary areas) for transformational impact; the strengthening of institutional networks across sectors and groups e.g. those in public, private, commercial, community, non-profit research, education; and fostering links across geographic boundaries e.g. communal, local, national, regional, international. The GEF Secretariat will work with countries and Agencies

based on pipelines emerging from National Portfolio Formulation Exercises (NPFEs) and existing regional and thematic platforms to identify such opportunities.

The SFM Strategy includes provision for the development of a regional program within the Amazon Basin to promote regional cooperation and collaboration to jointly address common drivers of deforestation and unsustainable use of natural resources and support economic development options based on sustainable natural resources management that contribute to poverty reduction and stabilization of the agricultural frontier in the forest landscape. Provision is made for up to \$45 million on a 2:1 ratio for development of the program, which will operate in addition to the maximum eligibility ceiling of \$10 million for those countries involved.

Expected outcomes

Each SFM project is expected to identify its contribution to the goal of achieving multiple environmental, social and economic benefits from improved management of all types of forests and trees outside of forests. The SFM Strategy has its own results based management framework which guides the design of projects and programs that wish to access the SFM incentive.

Estimating and monitoring projects' contributions to addressing climate change mitigation remains an important part of the SFM Strategy in GEF-6. In order to rationalize carbon benefit estimation all projects will be required to make use of one of a growing number of tools, such as the FAO's Ex-Ante Carbon-balance Tool, that offer a means of simplifying data requirements, calculation and presentation of results.

Objectives	Expected Outcomes & Indicators
SFM-1 Maintained Forest Resources: Reduce the pressures on high conservation value forests by addressing the drivers of deforestation.	Outcome 1: Cross-sector policy and planning approaches at appropriate governance scales, avoid loss of high conservation value forests. <hr/> Indicator 1: Area of high conservation value forest identified and maintained. <hr/> Outcome 2: Innovative mechanisms avoid the loss of high conservation value forest. <hr/> Indicator 2: Number of incentive mechanisms to avoid the loss of high conservation value forests implemented.
SFM-2 Enhanced Forest Management: Maintain flows of forest ecosystem services and improve resilience to climate change through SFM.	Outcome 3: Increased application of good management practices in all forests by relevant government, local community (both women and men) and private sector actors. <hr/> Indicator 3: Area of sustainably managed forest, stratified by forest management actors. <hr/> Outcome 4: Increased contribution of sustained forest ecosystem services to national economies and local livelihoods of both women and men. <hr/> Indicator 4: The number of forest policies that include valuation and accounting of economic, social and environmental benefits and services.
SFM-3 Restored Forest Ecosystems: Reverse the loss of ecosystem services within degraded forest landscapes.	Outcome 5: Integrated landscape restoration plans to maintain forest ecosystem services are implemented at appropriate scales by government, private sector and local community actors, both women and men. <hr/> Indicator 5: Area of forest resources restored in the landscape, stratified by forest management actors.
SFM-4 Increased Regional and Global Cooperation: Enhanced regional and global coordination on efforts to maintain forest resources, enhance forest management and restore forest ecosystems through the transfer of international experience and know-how.	Outcome 6: Improved collaboration between countries and across sectors on the implementation of SFM. <hr/> Indicator 6: Development and strengthening of networks to promote regional and global cooperation.





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