





## Sustainable Forest Management (SFM)

- NLBI outlines SFM as a dynamic and evolving concept – agreed, but how to position forests in the overall development programming and financial resources allocation processes?
- Forests as a major contributor to poverty reduction and sustainable development – how does this translate into domestic development priorities?
- SFM world-wide too dependant on international finance allocation – GEF, REDD, FIP etc. with a focus on “tropical forests” – “all types of forests” do not receive sufficient attention in (lower) middle income countries and in developing countries with a high potential for forest production like Uganda.

## Internationally Agreed Development Goals

- UNCCD – Ten-Year Strategy

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## Prerequisites for SFM

- Financing SFM has several requirements including:
  - Good governance (effective central and decentral governmental institutions) and an enabling environment for forest investment for PPP and for private sector investments, including farmers
  - Coherence and interaction between different policies and programmes (agriculture, trade and market access, land tenure rights, environmental policies etc.)
  - Participation and involvement of stakeholders in and equitable sharing of benefits – definition of the process of interaction
  - Comprehensive cost-benefit analysis about land-use changes
  - Ecosystem-level/landscape management and planning
  - International cooperation

## Limits to Mobilizing Finance

- Domestic budget process is not yet central and forest finance is not yet based on development priorities
- To be effective, financing SFM must reflect this reality in terms of availability of public finance, international financial contributions and investments by private sector
- Discussions on forestry finance have usually been handled as an internal issue to the forest sector – inter-ministerial dialogue, particularly with Ministry of Finance weak
- key external factors affecting SFM not addressed in broader development debate and cross-sectoral policy debate
- Implementing SFM is in effect a call for internalisation of externalities within national processes for frontline implementation – ecosystem approach, poverty reduction, enabling environment etc..

## "Missing Links" revisited



## Conclusion



## Options for Action

- Financing SFM **MUST** be integral part of national processes and hence proceed within the national framework for planning, budgeting and fiscal channelling
- Global action should respect and invest in what has been agreed namely “all types of forests” and “trees outside forests”
- IPF/IFF/UNFF and a large number of active processes have identified all limitations/bottlenecks and potentials for SFM and its financing
- The next step is to effectively organize a structured dialogue at country level which is transparent, predictable and agreed upon which the GM calls “Integrated Financing Strategy” and termed “national financing strategy” – integrating all aspects discussed and regarded a prerequisite for SFM
- If a Global Forest Fund is created, mandate it to support these policy and financial allocation processes – not projects!