



UNFF Clearing House on Forest Financing

QUARTERLY HIGHLIGHT #7 – DECEMBER 2023

This newsletter is a space to share information about recent developments, upcoming opportunities, learning materials, and other updates related to financing for forests. To contribute to future issues, please contact nadine.souto@un.org at UNFFS. [Subscribe](#) to receive future editions of the Quarterly Highlight.

There is still time to give feedback! You can help us improve the Clearing House on Forest Financing website by responding to a short questionnaire available in [English](#), [Spanish](#) and [French](#). Thank you to all who have already responded. Your suggestions are very valuable to us.

DEVELOPMENTS IN FOREST FINANCING



Climate finance takes center stage at UNFCCC COP28

The United Nations climate conference wrapped up this month in Dubai with a decision on the world's first global stocktake to accelerate climate action in line with the 1.5°C Paris Agreement target, including a call to 'transition away' from fossil fuels. Climate finance discussions were a major highlight of the conference, starting with the agreement to operationalize the loss and damage fund to help compensate vulnerable nations for the impact of climate change. The global stocktake emphasized the current gap in climate finance and underscored the importance of reforming the multilateral financial architecture and accelerating the ongoing establishment of new and innovative sources of finance. Discussions continued on the development a new collective quantified goal (NCQG) on climate finance in 2024, taking into account the needs and priorities of developing countries. The new goal will start from a baseline of USD 100 billion per year and will inform the design and subsequent implementation of national climate plans to be delivered by 2025. Parties also agreed on targets for the Global Goal on Adaptation and its framework, which reflects a global consensus on adaptation targets and the need for finance, technology and capacity-building support to achieve them. [Read more about the outcome of COP28.](#)

Climate and forest finance announcements made during COP28

- ✓ The [Green Climate Fund](#) received a boost to its second replenishment with the announcement of six new country contributions, with total pledges now standing at a record USD 12.8 billion. [Read more.](#)
- ✓ The World Bank Group announced that it will raise its climate target, aiming for 45% of its annual financing to go to climate-related projects in the next fiscal year – an additional USD 9 billion a year than previously programmed. [Read more.](#)
- ✓ The World Bank Group also announced a roadmap for the growth of high-integrity carbon markets, including work with 15 countries receiving support from the [Forest Carbon Partnership Facility](#) to produce up to 126 million forestry credits by 2028. [Read more.](#)
- ✓ Eight international organizations and development finance institutions issued a [joint declaration](#) and announced the creation of task force to boost financial instruments for sustainable climate and nature-linked sovereign finance. [Read more.](#)
- ✓ The [Inter-American Development Bank](#) Group aims to triple direct and mobilized climate financing for Latin America and the Caribbean to USD 150 billion over the next decade. [Read more.](#)
- ✓ Eight donor governments announced new commitments totaling USD 174.2 million to the Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF) hosted by the [Global Environment Facility](#). [Read more.](#)
- ✓ Brazil proposed the creation of the Tropical Forests Forever fund, a financial instrument to keep tropical forests standing, with an initial fundraising target of USD 250 billion. [Read more.](#)
- ✓ The COP28 Presidency and its partners presented a series of new initiatives with USD 1.7 billion in committed finance to meet climate and biodiversity goals. This includes a USD 210 million commitment from France to drive forest conservation and local development in Papua New Guinea, Democratic Republic of Congo and Republic of Congo through verifiable carbon credit transactions. [Read more.](#)

NEW LEARNING MATERIALS

State of Finance for Nature Report 2023

This report tracks finance flows to nature-based solutions (NbS) and compares them to the finance needed to realize the potential of NbS to help tackle climate change and other global challenges. For the first time, this year's report also quantifies "nature-negative finance flows". [Read more.](#)

Scaling gender and climate investment opportunities

This paper provides recommendations for bridging the gender gap in access to climate finance. It highlights rural women's contributions to sustainable forest governance and management. [Read more.](#)

How forest bioeconomies can support nature-based solutions

This Chatham House briefing examines opportunities for increasing private sector investment in NbS in the forest sector, including the need for policies and innovations to ensure social and environmental integrity. [Read more.](#)

Innovative financial instruments for climate adaptation

This online inventory seeks to improve knowledge of how innovative financial instruments can play a positive role in scaling up investment in adaptation in developing countries. [Read more.](#)

State of the Voluntary Carbon Markets Report 2023

This flagship report by Ecosystem Marketplace covers the latest trends and insights related to international voluntary carbon markets. The analysis covers transactions in the forestry and land use sectors. [Read more.](#)

Find more such materials: [Browse our database on Learning Materials](#)

NEW GOOD PRACTICES AND LESSONS LEARNED

Financing the future of forests

This three-part series explores how businesses are investing in forests in three key regions: Africa, Asia and Latin America. [Read more.](#)

Forest sector revenues in Ghana, Liberia and the Republic of the Congo

This research paper looks at how reforms over the last decade have impacted the collection and distribution of forest sector revenues in three African countries, and highlights areas where more action is needed. [Read more.](#)

Mobilizing internal finance from within forest and farm producer organizations

This series of case studies presents lessons learned from six forest and farm producer organizations in Bolivia, Brazil, Ecuador, Ghana, India and Zambia. [Read more.](#)

Find more such materials: [Browse our database on Good Practices and Lessons Learned](#)

UPCOMING FOREST-RELATED FINANCING OPPORTUNITIES

The [Global Innovation Lab for Climate Finance](#) is looking to develop a record ten climate finance ideas in 2024. Under the funding stream for High Integrity Forests, the Lab seeks innovative finance to mobilize private capital for the protection and sustainable management of high-integrity forests across emerging economies. Successful applicants will receive in-kind support from high-level private and public sector advisors, who contribute expertise, political support, and financial capital. The deadline to submit an idea is 27 December 2023. [Read more.](#)

The [Central African Forest Initiative](#) has issued a call for expressions of interest for investment in private sector companies to address the drivers of deforestation and forest degradation. In total, USD 100 million are available in the form of project development grants, investment grants and performance-based grants. Submissions from private companies and implementing organizations will be considered on a rolling basis until all available funds are allocated. [Read more.](#)

The [Asia Climate Solutions Design Grant](#) is accepting concept notes for the design and launch of innovative blended finance solutions that mobilize private capital to critical sectors in developing markets in Asia, including sustainable forestry and land use. Organizations are invited to submit proposals either individually or as part of a consortium. Funding is provided in the form of feasibility study grants (USD 50,000 to 200,000) and proof of concept grants (USD 200,000 to 400,000). The next application deadline is 12 February 2024. [Read more.](#)

The [Waterloo Foundation](#) accepts applications from initiatives working to protect tropical rainforests, principally through avoided deforestation. The Foundation considers both practical local projects and strategic initiatives for up to GBP 100,000 in grant funding. Eligible organizations must either be UK-based charities or provide a reference from an organization with offices in the UK. The next deadline for applications falls on 1 June 2024. [Read more.](#)

Find more such opportunities: [Browse our database on Financing Opportunities](#)

ABOUT THE CLEARING HOUSE

The UNFF [Global Forest Financing Facilitation Network](#) (GFFFN) [Clearing House](#) is a one-stop shop for information on forest financing. This web-based platform features over two hundred data entries on forest financing opportunities, learning materials and good practices. Be sure to check back frequently as the databases are regularly updated.

