

Food and Agriculture Organization of the United Nations





Monitoring and sustainable financing for forest and landscape restoration

10 November 2021

Questions and Answers

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1) How can we access these elearning courses?

The elearning courses related to today's webinar are available in the FAO elearning Academy at the following links:

Introduction to forest and landscape restoration: <u>https://elearning.fao.org/course/view.php?id=703</u> French version: <u>https://elearning.fao.org/course/view.php?id=741</u>

Monitoring forest and landscape restoration: https://elearning.fao.org/course/view.php?id=687 French version: https://elearning.fao.org/course/view.php?id=718

Sustainable financing of forest and landscape restoration: <u>https://elearning.fao.org/course/view.php?id=675</u> French version: <u>https://elearning.fao.org/course/view.php?id=729</u>

2) What is the position of FAO on monoculture plantations as degraded lands? Are these areas eligible for removal and restoration through assisted natural regeneration (ANR)?

Depending on the landscape and depending on the consensus based on the participatory approach at landscape level between the different land users, it could make sense in some cases to plant one specific local specie of a tree. Monoculture is not always a bad option, just as it is not always a good option either. In a lot of cases, for example, it is probably better to have more biodiversity building on assisted natural regeneration instead of planting only a specific specie in some areas. We cannot, however, say if it's good or not. The landscape context and the people who live in that landscape are important. Indeed, the planning of restoration activities must be done considering what the people want to do in their landscape. In specific areas of a landscape, for example, it could make sense for them to have monoculture but there are no rules for that. The principles for restoration are to have a planning with a participatory approach and to really contextualize the restoration option to the need of the people and to the potentiality of the landscape.

3) Is there any mechanism of providing finance to private individuals & organization for afforestation/ landscape restoration in resource poor and developing countries?

By taking the FLR course on finance you will find out about the different mechanisms providing finance for FLR. There are more than you would expect! <u>https://elearning.fao.org/course/view.php?id=675</u>

4) What can be a "roadmap" to simplify and specify financing for civil society proposals in conjunction with institutional allies in restoration projects, without

diluting the contribution in "interest rates". Do you think of trust funds at the national level to face the restoration? Will it be possible as a "Debt Swap" to release funds to invest in the restoration of different scales?

I think that if we really want FLR to be successful what really needs to happen is a multipartners process. I can't say there are specific financial mechanism for specific targets (e.g., for NGOs; non-NGOs; farmers; etc.) as a financial mechanism can have different types of beneficiaries. Nevertheless, as explained in the publication and the e-learning course, some financing mechanisms are more adapted to certain targets (medium size loan are more adapted to SMEs, for example). What is important is to have a vision for the landscape, with a variety of different partners working together towards a goal. With clear roles and activities, it will be possible to identify the best-suited financial mechanism. I also think this would be extremely appealing to donors. There are some examples of that, in the Atlantic Forest Restoration Pact in Brazil for example, where NGOs, as well as private and public stakeholders are coming all together. In this case, they have been supported by many different donors, through different financing mechanisms, to implement restoration activities.

About the national fund question, in Costa Rica for example, they have been very successful in setting up a National Trust Fund in order to support forest protection and restoration. The funds for these national funds can have different sources, in Costa Rica they come from a tax on fuel for example, they could also come from private sector donations.

At the moment, however, I have to be frank and admit we don't have a lot of private sector investments in restoration because it's still considered a risky and long-term investment, which is not always very attractive. This is why all these other mechanisms, such as the guarantee, are really important to support investments in restoration and reassure investors. If you take the course <u>Sustainable financing of Forest and Landscape</u> <u>Restoration</u>, you will see all these mechanisms that can be put in place to support private sector investments into your landscape and ways to better attract it.

5) Technological, methodological tools and first-line training are needed to undertake restoration, are funds available soon? Given the scenarios that are discussed at COP26 for example, and according to the Decade of Restoration?

I would like to mention that I am the leader of the Task Force on Best Practices in the context of the United Nations Decade on Ecosystem Restoration. In this context, we organized, during the first semester of 2021, a huge online capacity needs assessment survey to assess what are the trainings, knowledge and tools that need to be developed because they are not currently existing in the context of this Task Force. We are now working on a knowledge and learning plan to be prepared by mid-2022 with the idea then to fill the gap in terms of capacity at the global and regional level and identify new knowledge products that should be developed. At the same time, we are trying to facilitate the access to the existing knowledge products, which you can currently find across a variety of platforms, such as on the <u>UN Decade website</u>, the <u>Global Partnership</u> <u>on Forest and Landscape Restoration website</u> and the <u>Forest and Landscape Restoration</u>

<u>Mechanism website</u>. There you can find extensive resources and use keywords to find tools, methods and approaches that could be useful for restoration practitioners. I thus encourage you to join the <u>Online Community of Practice for Forest and Landscape</u> <u>Restoration</u>, my colleague Caterina Marchetta (<u>caterina.marchetta@fao.org</u>) will assist you in accessing all the knowledge products on the different websites.

6) Where we can give help to develop a restoration business model which can be approved by potential financing providers?

There is a new e-learning course about this that will be released in a few months but there is also a publication that already exists and that is about developing strong business plans on forest-related restoration issues: <u>Developing bankable business plans</u> - <u>A learning guide for forest producers and their organizations</u>.

7) How do we finance commitment for monitoring? How much will it cost? Who's engagement is it?

There are different initiatives from international community such as the <u>Bonn Challenge</u> <u>Barometer</u>, and a new layer of Trees in Mosaic Landscapes that was launched last week: <u>https://resourcewatch.org/data/explore/Trees-in-Mosaic-Landscapes</u>

8) Where we can get help to develop a restoration business model which can be approved by potential financing providers?

We have a programme to accelerate restoration businesses here: <u>https://www.wri.org/initiatives/land-accelerator</u> but there are many now, such as <u>Uplink</u> from the World Economic Forum, that are looking at innovative businesses.

9) Do you have examples of indicators that can be easily monitored by farmers / citizens living within the landscape? I'm working with ICRAF in Rwanda and the biggest issue (among many others) is the long-term monitoring of restoration / agroforestry projects. Once the projects are over, monitoring stops, you know what I mean, and there is too few farmers training on monitoring.

We have compiled a list of indicators in different areas, I can share with you a list we collected, some apply for farmers some are more national/landscape level. Here is my email: <u>rene.zamora@wri.org</u>

10) Restoration projects often have a time frame within which they are implemented. How long should an M&E be done?

I think we should monitor the entire process which never ends. It is needed for adaptive management and it is important to assess impacts.

11) What is different between forest restoration and landscape restoration?

Forest restoration focuses on forest ecosystems, while landscape is a more inclusive/integrated approach that considers different uses of the land.

12) How do we approach landscape restoration when carbon markets are exploding? does these investments match the needs for restauration?

It is clear that when you are restoring a landscape, you are providing multiple benefits and carbon benefits are among these. However, carbon benefits are not always the benefits we want to maximize when we are trying to plan restoration activities and when we are making technical choices. In one specific landscape, the maximization of carbon storage could be a priority. Climate change mitigation can be a priority in your restoration activity or initiative. Sometimes you might have other priorities such as enhancing biodiversity or livelihoods. Depending on your goal, you will choose restoration options and techniques that are maximizing the benefits you want to have at landscape level based on the negotiations done by people. Sometimes carbon storage and carbon benefits are indeed an important one and the more the carbon market will be active with a good price for carbon and the more these benefits in terms of financial resources will be high and the investors from the private sector will probably have more appetite to restore if they can demonstrate the impact on the carbon market and for the United Nations Framework Convention on Climate Change.

Answering the second part of the question, restoration is clearly mentioned at COP26. Restoration is a nature-based solutions providing potentially both adaptation and mitigation benefits and carbon storage benefits both in the soil and in the biomass.

13) How can Africans turn landscape restoration into a sustainable business for youth?

This is a great question and I wish I had an easy answer. Youth can be a driving force in changing landscapes and be the leaders of integrated landscape management. Several programs support entrepreneurs in pro-restoration endeavours.

14) About financing FLR, the return to investments is a challenge, as it is a long-term process. How do you manage to convince funders like private sector?

With a strong business plan showing the long-term return and a good guarantee mechanism. In this case it is key to focus on diverse sources of funding. Some incubators provide grants that can be helpful.

15) One of the issues with financing smallholders and communities to do landscape restoration, agroforestry and other infrastructure improvements etc. is that these are usually requiring long(er) term credit products and that type of money is difficult to access. Most microcredit orgs or even banks have limited amounts of this type of funding. Do you have some thoughts on how to resolve this?

The publication and e-learning are presenting some examples of medium to long term loans to address this issue. Several donors are interested in developing such credit lines in country.

16) Can we have micro-finance system in FLR?

Yes, sure, and there is an example in the e learning and publication. It worked well!

17) Are there successful examples of debt swap mechanisms to finance FLR? Any on SIDS?

In Gabon the debt swap benefited the network of Protected Areas participating to restoration, so this is possible. It was a debt from France.

18) Has FAO or any other international organisation developed a compendium of financing mechanisms for FLR?

The publication <u>Local financing mechanisms for forest and landscape restoration: A</u> <u>review of local-level investment mechanisms</u> as well as the e-learning courses on Finance 2 and 3 in particular explain what are the different financing mechanisms and how they can be use separately and in synergies.

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